

FOREIGN AFFAIRS BUDGET

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

FEBRUARY 6, 2003

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.access.gpo.gov/congress/senate>

U.S. GOVERNMENT PRINTING OFFICE

86-894 PDF

WASHINGTON : 2003

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON FOREIGN RELATIONS

RICHARD G. LUGAR, Indiana, *Chairman*

CHUCK HAGEL, Nebraska	JOSEPH R. BIDEN, JR., Delaware
LINCOLN CHAFEE, Rhode Island	PAUL S. SARBANES, Maryland
GEORGE ALLEN, Virginia	CHRISTOPHER J. DODD, Connecticut
SAM BROWNBACK, Kansas	JOHN F. KERRY, Massachusetts
MICHAEL B. ENZI, Wyoming	RUSSELL D. FEINGOLD, Wisconsin
GEORGE V. VOINOVICH, Ohio	BARBARA BOXER, California
LAMAR ALEXANDER, Tennessee	BILL NELSON, Florida
NORM COLEMAN, Minnesota	JOHN D. ROCKEFELLER IV, West Virginia
JOHN E. SUNUNU, New Hampshire	JON S. CORZINE, New Jersey

KENNETH A. MYERS, JR., *Staff Director*
ANTONY J. BLINKEN, *Democratic Staff Director*

CONTENTS

	Page
Brownback, Hon. Sam, U.S. Senator from Kansas, prepared statement	47
Feingold, Hon. Russell D., U.S. Senator from Wisconsin, prepared statement ..	44
Lugar, Hon. Richard G., U.S. Senator from Indiana, opening statement	3
Powell, Hon. Colin L., Secretary of State, Department of State, Washington, DC	8
Prepared statement	14
Responses to additional questions for the record from:	
Senator Lugar	62
Senator Biden	81
Senator Voinovich	94
Senator Dodd	100
Senator Feingold	103
Senator Boxer	106
Senator Bill Nelson	107
Voinovich, Hon. George V., U.S. Senator from Ohio, prepared statement	53

FOREIGN AFFAIRS BUDGET

THURSDAY, FEBRUARY 6, 2003

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:33 a.m. in room SR-325, Russell Senate Office Building, Hon. Richard G. Lugar (chairman of the committee), presiding.

Present: Senators Lugar, Hagel, Chafee, Allen, Brownback, Voinovich, Alexander, Coleman, Sununu, Biden, Dodd, Kerry, Feingold, Boxer, Bill Nelson, and Corzine.

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order.

Mr. Secretary, we welcome you. The purpose of the hearing this morning is to exchange views on the State Department budget for the coming year, and we want to hear from you about the needs of the State Department in this era when it occupies the front lines in the war against terrorism.

I want to compliment you, as I know all members will, on your efforts to expand funding for the State Department and for foreign assistance programs. You have brought a very important strategic understanding to budgetary questions involving the Department. This committee could not ask for a better partner in explaining why your work and the work of all those at the Department is so critical in protecting American citizens from future acts of terrorism.

The progress you have made in the last 2 years has begun to reverse the damaging slide in diplomatic capabilities that occurred through much of the 1990s. In the years following the fall of the Berlin Wall, the United States slashed the resources available to diplomatic activities and to foreign assistance. In 2001, the share of the United States budget devoted to the international affairs account stood at a paltry 1.18 percent, barely above its post-World War II low, and only about half of its share in the mid-1980s. This slide occurred even as the State Department was incurring the heavy added cost of establishing new missions in the 15 States of the Former Soviet Union.

Even after a healthy increase in the last fiscal year, the U.S. foreign assistance in constant dollars has declined about 44 percent since Ronald Reagan's Presidency in 1985, and about 18 percent since the collapse of the Soviet Union in 1991. The United States devotes about one-tenth of 1 percent of our gross national product to economic assistance, ranking in this category last among the 21 major providers of aid in the developing world.

The September 11 attacks jarred our country out of its complacency toward foreign threats, and your efforts have translated this renewed awareness into more resources. What is still missing from American political discourse is support for the painstaking work of foreign policy, and the indisputable role that diplomacy plays in our strategic efforts to win the war on terrorism.

Mr. Secretary, even as we convene here to discuss diplomatic budgeting and capabilities, there is not a soul in the room who is not aware that you are joining us on this day after a very important mission to the United Nations. A few of our questions today will surely stray from the intricacies of the 150 budget account, but even as we bring up Iraq, North Korea, the war against terrorism, I hope that members will keep in mind the connection between the immediate crises that we will be talking about and the broader questions of our foreign policy capabilities.

The ability of our military to defeat Iraq has never been in question. What has been in doubt are factors related to our diplomatic strength and our standing in the world. Can we get a positive vote in the Security Council? Can we secure the necessary basing and overflight rights? Can we limit anti-American reaction to the war in the Arab world or elsewhere? Can we secure allied participants in the work of reconstructing Iraq in the event that war is necessary? Successful answers to these questions depend largely on diplomatic work done by your Department between crises, and they depend on the work funded by the very budget that we discuss today.

Mr. Secretary, recently I outlined the five foreign policy campaigns that I believe must be undertaken to win the war on terrorism, and I use "win" in this case very deliberately. Our soldiers can fight the war against terrorism, and they are doing so in Afghanistan bravely, selflessly, and successfully, but we will not win this war through attrition.

To win the war against terrorism, the United States must assign United States economic and diplomatic capabilities the same strategic priority we assign to military capabilities, and the first of these five campaigns necessary to win the war is expending our investments in diplomats, embassy security, foreign assistance, and other tools of foreign policy. If a greater commitment of resources can prevent the bombing of one of our embassies, secure alliance participation in expensive peacekeeping efforts, or improve detection of terrorists seeking visas, the investment will have yielded dividends far beyond its cost.

Second, we need to expand and globalize the Nunn-Lugar cooperative threat reduction programs to assure to the maximum extent possible that weapons of mass destruction are not transferred to terrorists.

And third, we must promote trade, which is essential in building the prosperity that can dampen terrorist recruitment and political resentment.

Fourth, we must strengthen alliances so that we have partners who will share financial burdens and support our efforts against terrorism.

And fifth, we must reinvigorate our commitment to democracy, expanding global energy supplies, protecting the international environment, and accelerating development.

How will we know when we are winning? First, when every other nation also rallies against al-Qaeda. Second, when foreign law enforcement officials are willing and able to track down and arrest al-Qaeda cells operating in their territory. Third, when al-Qaeda's message no longer strikes a responsive chord in the Muslim world. Fourth, when whole sections of Islamic society have been lifted from conditions of abject poverty, and fifth, when failed States can no longer harbor al-Qaeda.

No military force, no matter how big, can achieve those goals. They can only be achieved diplomatically and with a strong and effective foreign policy. We are spending less than 8 cents on foreign policy of every dollar that goes to defense. Your job here today, Mr. Secretary, is to convince us and, through us, our colleagues, that we have the will, the capacity, and the resources to win the war on terrorism.

[The opening statement of Senator Lugar follows:]

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR

Mr. Secretary, the purpose of this hearing is to exchange views on the State Department budget for the coming year. We want to hear from you about the needs of your Department in this era when it occupies the front lines in the war on terrorism. I want to compliment you on your efforts to expand funding for the State Department and foreign assistance programs. You have brought a very important strategic understanding to budgetary questions involving the Department. This Committee could not ask for a better partner in explaining why your work and the work of all those at the Department is so crucial in protecting American citizens from future acts of terrorism.

The progress you have made in the last two years has begun to reverse the damaging slide in diplomatic capabilities that occurred during the 1990s. In the years following the fall of the Berlin Wall, the United States slashed the resources available to diplomatic activities and foreign assistance.

In 2001, the share of the U.S. budget devoted to the international affairs account stood at a paltry 1.18 percent—barely above its post-World War II low and only about half of its share in the mid-1980s. This slide occurred even as the State Department was incurring the heavy added costs of establishing new missions in the 15 States of the Former Soviet Union.

Even after a healthy increase in the last fiscal year, U.S. foreign assistance in constant dollars has declined about 44 percent since its Reagan presidency peak in 1985 and about 18 percent since the collapse of the Soviet Union in 1991. The United States devotes about one-tenth of one percent of our GNP to economic assistance—ranking us last in this category among the 21 major providers of aid to the developing world.

The September 11 attacks jarred our country out of its complacency toward foreign threats, and your efforts have translated this renewed awareness into more resources. What is still missing from American political discourse is support for the painstaking work of foreign policy and the indispensable role that diplomacy plays in our strategic effort to win the war on terrorism.

Mr. Secretary, even as we convene here to discuss diplomatic budgeting and capabilities, there is not a soul in this room who is not aware that you are joining us the day after a very important mission at the United Nations. A few of our questions today will stray from the intricacies of the 150 Budget Account. But even as we bring up Iraq, North Korea, and the war against terrorism, I hope that members will keep in mind the connection between the immediate crises and the broader question of our foreign policy capabilities.

The ability of our military to defeat Iraq has not been in question. What has been in doubt are factors related to our diplomatic strength and our standing in the world. Can we get a positive vote in the Security Council? Can we secure the necessary basing and overflight rights? Can we limit anti-American reactions to war in the Arab world? Can we secure allied participation in the work of reconstructing

Iraq after a war? Successful answers to these questions depend largely on the diplomatic work done by your Department between crises. They depend on the work funded by the very budget that we discuss today.

Mr. Secretary, recently I outlined five foreign policy campaigns that must be undertaken to win the war on terrorism. I use the word WIN in this case very deliberately. Our soldiers can FIGHT the war against terrorism and they are doing that in Afghanistan—bravely, selflessly, and successfully. But we will not win this war through attrition. To win the war against terrorism, the United States must assign U.S. economic and diplomatic capabilities the same strategic priority that we assign to military capabilities.

The first of these five campaigns necessary to win the war is expanding our investments in diplomats, embassy security, foreign assistance and other tools of foreign policy. If a greater commitment of resources can prevent the bombing of one of our embassies, secure alliance participation in expensive peacekeeping efforts, or improve detection of terrorists seeking visas, the investment will have yielded dividends far beyond its cost.

Second, we will need to expand and globalize Nunn-Lugar Cooperative Threat Reduction Programs, to ensure to the maximum extent possible that weapons of mass destruction are not transferred to terrorists.

Third, we must promote trade, which is essential to building the prosperity that can dampen terrorist recruitment and political resentment.

Fourth, we must strengthen alliances so that we have partners who will share financial burdens and support our efforts against terrorism.

And fifth, we must reinvigorate our commitment to democracy, expanding global energy supplies, protecting the international environment, and accelerating development.

How will we know when we are winning?

1. When every other nation also rallies against the al-Qaeda threat.
2. When foreign law enforcement officials are willing and able to track down and arrest every al-Qaeda cell operating in their territory.
3. When al-Qaeda's message no longer strikes a responsive chord in the Muslim world.
4. When whole sections of Islamic society have been lifted from conditions of abject poverty.
5. When failed states that can harbor al-Qaeda no longer exist.

No military force, no matter how valiant, can achieve these goals. They can only be achieved diplomatically with a strong and effective foreign policy. Yet we are spending less than 8 cents on foreign policy for every dollar that goes to defense. Your job here today, Mr. Secretary, is to convince us that we have the will, the capacity, and the resources to win the war on terrorism.

The CHAIRMAN. It is my privilege now to turn to the distinguished ranking member of our committee, Senator Biden, for his opening statement.

Senator BIDEN. Thank you, Mr. Chairman. Welcome, Mr. Secretary. As a matter of fact, I was waiting in the other room to welcome you. I went to the wrong room. I went over to our committee meeting room. Let me say at the outset, I am proud to be associated with you. I think you did better than anyone could have because of your standing, your reputation, and your integrity, as it is understood by our European friends as well as others around the world. No Democrat or Republican, I think, could have presented the case better than you did yesterday. I do not want to embarrass you, but I think a large part of the success was the way—the way, the manner, the language, the verbiage you used in presenting a case that you and I and everyone on this committee knew existed, but it took you to do it, and I want to tell you I am proud to be associated with you.

Secretary POWELL. Thank you, sir.

Senator BIDEN. This hearing, although scheduled some weeks ago, in keeping with a very important practice is, one of the first

orders of business for this committee—to determine what the new Congress is likely to do relative to the authorization of funding for what I think my chairman has accurately pointed out, and that is, these are new forms of conflict that, although we need a powerful military, a powerful military will not solve them. A powerful military and lack of the will to use it will put us in a much more damaging and vulnerable position, but no matter how powerful, no matter how incredible the technology and the bravery of our warriors, it will not solve the new conflicts that we face that do not lend themselves to the neat categories that we are accustomed to.

So I think your budget and your leadership in the State Department takes on a whole new dimension. I would suggest that the tools available to Statecraft are the most likely tools to be able to render this country more secure, even—even more than our military, because we have noted that, and everyone has noted, but notwithstanding our incredible efforts thus far, al-Qaeda is still alive, not as well, but well. There is a whole province in northwestern Pakistan which I am of the view is essentially owned and operated by the Taliban, al-Qaeda, and tribal sympathies to extremist groups.

I am not suggesting that it lends itself to an easy military solution, but the desperation, the poverty, the despair that exists in large parts of the world, coupled with the sense, unfairly in many cases, the sense that we are only concerned about our immediate interests, and I know we are not, I think puts us in a very different position and ups the ante for an imaginative and creative and 21st century form of diplomacy that I do not think any of us 4, 6, 8 years ago would have anticipated, so I think this is a new deal in a big way, and I think you are just the guy to be there to try to craft it.

The fact is that we are going to discuss the administration's proposed budget, and this is not meant to be a political pun, we cannot proceed without first focusing on the elephants that are in the room, North Korea and Iraq, so let me say a very brief few words about those at the outset.

Mr. Secretary, along with millions of Americans and millions of people around the world, you made, we all watched you make a powerful case, and once again I want to commend you for making that case, but suggest I think something you will not disagree with. It is now—the question for Saddam is war or peace. It is in his hands, but the question for the Security Council is relevance or irrelevance, and I hope they are seized of that understanding, and I, for one—I do not want to raise the bar on you. I guess I have.

I believe—although it is a Herculean task, I believe that it is possible to bring most nations along and leave others in a position where they are not objecting, because I think that is important. We are at a very critical moment, as you know, and I think you have a very delicate balancing act, and I am not going to be second-guessing it, but I do want to state what I think it is, and that is that, to the degree to which our friends around the world and those who are maybe not traditionally viewed as our friends ask for more time to deal with Iraq, I personally think that should be balanced against whether or not they are likely to come along with us if, in

fact, a reasonable amount of time is given, and that balanced against what the downside of giving time is.

If the Lord Almighty came down and sat in the middle of this table and said, Joe, I know if you all give 6 more weeks, even though that puts us in a militarily more difficult position, that you will get a uniform view at the United Nations that there is a deadline set and war is the option, war will follow if he does not act, I would say take the chance. I know that is a hard call. That is your business. You know those people better than we do, and I am confident of your advice to the President, but I do think that the Security Council has to decide whether it is going to be relevant or not.

The other important task for the President is, in my view, the first task has been accomplished: What is the threat? You did that, and you did that very well. But the second part of it, and you and I have talked about this often, and I presumed to talk about it with the President, and that is, foreign policy, no matter how well-conceived, cannot be sustained without the informed consent of the American people. I know of no warrior who believes that more than you, having been through Vietnam, and having led our troops in the field, as well as having been the Chairman of the Joint Chiefs of Staff.

This is not a criticism of the administration, because maybe it is not the appropriate time yet, but I do think it is important that we begin to tell the American people what may be expected of them in terms of the days and the weeks, and Lord knows how long after. I believe, from my exposure to my constituency at home, which is every day, that notwithstanding the growing support, based on the additional evidence put forward, for the use of force if need be, there is an overwhelming expectation that this will be a repeat of what happened in the early 1990s, and that is that we will be swiftly successful—and I, for one, think that is a probability that is the most likely outcome, although you have to plan for the worst, but that Johnny is going to come marching home very, very rapidly. In my view Johnny and Jane are not going to come home immediately. It may be 8 months, it may be 16 months, it may be 3 years, but it is going to be some period of time that they are going to be there.

I do not think the American people understand that yet, and when I had the opportunity and the privilege to meet with our forces under General Franks' command in Qatar about a month ago, Senator Hagel and I were asked whether we would address several hundred generals—I never saw so many stars in one room. We were asked whether we would say a few words and take a few questions, and the one thing on the minds of these warriors was not whether they would win, if sent, but whether or not we would be there a year and a year-and-a-half and 2 years and 3 years down the road, when we had to make hard choices between another \$18 to \$20 billion, which is the estimate we got on this committee to maintain forces in the region, or in Iraq, or whether we would be using that money for a tax cut, or whether we would be using that money for health care, we would be using that money for something else.

And so I think we not only owe it to the American people, I think every one of us who say we support this effort ought to understand, if asked, we are prepared. The single most important, first requirement that we will have will be to fund that effort above every other thing that we are concerned about, and we have deep concerns about a number of these issues, and so I think it is a second reason why we should be now discussing—and I will not press you today on this—what are the plans, how detailed are the plans that exist for the day, the week, the month, the years after.

I also think that North Korea is an equally urgent a problem as Saddam Hussein at the moment, notwithstanding the fact that we propositioned tens of thousands of forces, and we are on—unless he chooses otherwise—the brink of war.

This morning, North Korea announced they have reopened their small nuclear power plant. There is no doubt that everyone involved with the U.S. Government understands that they have the capacity to very quickly produce plutonium, which is very quickly available, within 1 month maybe one bomb, within 6 or 8 months or a year, somewhere between 6 and 8 additional nuclear weapons, and quite frankly, in light of the comments, the concluding comments made by the chairman, that worries me less than the fact that they have become a small plutonium factory with a history of miscalculating what the rest of the world thinks, with a history of proliferation, with a history of supporting terror, with a history that worries me that 3 years from now, we may find that plutonium in a suitcase in a homemade nuclear weapon in some city in the United States of America.

So I would like you to be able to discuss with us very briefly at some point the degree to which you think we have some time. I understand the administration's proposal of a multilateral umbrella. It makes sense. I think that is the best way, but as the President said in his State of the Union Message, and I am paraphrasing, he is interested in results, not in form. I hope we do not let form trump substance here, notwithstanding the fact that we are in somewhat of a difficult position.

So Mr. Secretary, let me stop there. I do have specific questions about the budget, but it is inescapable, in light of the news of the day and your brilliant performance yesterday, for us not to discuss at some point North Korea and Iraq. I think your budget is positive an increase, but if you take out the Millennium Challenge Account [MCA] as part of the request, we are basically a flat budget compared to the fiscal year just completed, and you had \$27.2 billion for fiscal year 2002. That is how much we spent in that year, counting supplemental funding. You take the Millennium Challenge Account out of this, we are essentially back to where it was in 2002. You have always been candid with us. I would like to know if you really think that can get this new job done.

Again, thank you. Congratulations, and Mr. Chairman, I appreciate the time.

The CHAIRMAN. Thank you very much, Senator Biden.

Let me just announce quickly that one of the concerns of the distinguished Senator from Delaware, namely, the future governance of Iraq, will be the subject of our hearing next Tuesday, and that will have, I think, a great deal of interest for members of the com-

mittee as well as the country, and on Wednesday, we will be talking about the future governance of Afghanistan, our role there, and what we may be able to do through American diplomacy to assist the valiant people of Afghanistan.

Mr. Secretary, I want to announce to the committee that, due to the understandable commitments you have here and elsewhere in the world, that we will try to conclude your testimony at noon or before, and therefore, with the concurrence of the ranking member, we will have a 5-minute questioning period so all members can be accommodated, and we will try to get to each member's questions.

I thank you very much for coming, sir. Please proceed with your testimony.

**STATEMENT OF HON. COLIN L. POWELL, SECRETARY OF
STATE, DEPARTMENT OF STATE, WASHINGTON, DC**

Secretary POWELL. Thank you very much, Mr. Chairman. Thank you for your kind remarks, and Senator Biden, thank you for your kind remarks. It is a great pleasure to come before the committee for the third year in a row to defend the State Department's needs for a world that is in transformation, a world with new requirements that we must meet, and a world especially that does require, as you said, sir, the very best we can put on the front line of diplomacy.

Mr. Chairman, I do have a statement for the record which I would like to submit, and then I have a short oral statement I would like to present.

The CHAIRMAN. It will be printed in full in the record.

Secretary POWELL. Thank you very much, Mr. Chairman.

Let me begin first by thanking the committee for the strong support that you have provided to the Department over the past 2 years. It has been a source of great personal inspiration to me, but beyond that, it has been a source of inspiration to the men and women of the Department of State to know that their Congress, and especially this committee, is firmly behind them, and firmly behind what they are doing on this front line of diplomacy.

At one time, when I first came into the Department, I would say, "we are the front line, we are the defense of our national interest." And my staff corrected this old soldier by saying "no, we are on the offense." Our diplomacy should be offensive in nature; taking the message, and taking our value system and taking what we believe out to the rest of the world. And that is the attitude we have tried to convey throughout the Department.

We also take our casualties. Last year, I lost three members of my State Department family, two dependents killed in a bomb attack in Pakistan, and a member of our AID family in an assassination in Amman, Jordan. So as we sit here today, as we worry about the military conflict that may or may not be ahead of us, diplomats of the United States of America, AID employees, Peace Corps employees, and all sorts of individuals who are out in our diplomatic force are at risk every single day from terrorism and from those who would try to destroy our way of life—those who believe that by attacking our diplomats they are attacking the United States directly—and I just am pleased that this committee understands the

sacrifice that they make—they and their families—and you support us so strongly.

I was struck by one statistic you mentioned, Mr. Chairman, and that was, since the days of Ronald Reagan, the overall budget for this kind of assistance, our foreign assistance, has dropped 44 percent. The other thing that is significant about that statistic is that it also suggests that the filter through which we used to look at foreign affairs funding has changed. It used to be through the filter of the cold war. How do we influence different parties on different sides of the cold war border?

Now, it is a lot different. Now, we have to worry about poverty, we have to worry about HIV/AIDS, we have to worry about nations that are no longer behind an iron curtain or a bamboo curtain, and are trying to find their way forward to democracy and the free enterprise system. And I think what we are trying to do reflects that changed world, and that is why I believe that the budget I am defending today on behalf of the President is deserving of your full support. And obviously, I am here to defend the President's budget. But I know that there will be adjustments that will be made and different members of the committee, different Members of the Congress will have different ideas as to priorities and as to amounts that should go to the various priorities. And we look forward to working with you on that prioritization as we go forward.

The statistics as to whether it is an increase, or how much of an increase, will also be a factor that has to be considered later, after we see what we get in 2003. And so I once again encourage all support possible for bringing to a closure the 2003 process in a way that supports the efforts of the Department of State.

To my opening statement, then, Mr. Chairman. I just want to say that I am pleased to appear before you in support of the President's international affairs budget for fiscal year 2004. Funding requested for 2004 for the Department of State, USAID, and other foreign affairs agencies is \$28.5 billion. The President's budget will allow the United States to target security and economic assistance to sustain key countries supporting us in the war on terrorism, and helping us to stem the proliferation of weapons of mass destruction.

It will also help us launch the Millennium Challenge Account: a new partnership generating support to countries that rule justly, invest in their people, and encourage economic freedom; to help us strengthen the U.S. and global commitment to fighting HIV/AIDS and alleviating humanitarian hardships; combat illegal drugs in the Andean region of South America, as well as bolster democracy in one of that region's most important countries, a country that is under siege, Colombia. The budget request will also reinforce America's world-class diplomatic force, focusing on the people, places, and tools needed to promote our foreign policies around the world.

I am particularly proud of that last goal, Mr. Chairman, because for the past 2 years, I have concentrated on each of my jobs, first as primary foreign policy advisor to the President, but also, and in my judgment just as important, Chief Executive Officer of the State Department. Under my CEO hat, we are asking for about \$8.5 billion, and let me give you some highlights of what these funds are for.

First, we have been reinforcing our diplomatic force for 2 years, and will continue to do so in fiscal year 2004. We will hire 399 more professionals to help the President carry out the Nation's foreign policy. This hiring will bring us to the 1,100-plus new Foreign and Civil Service officers we set out to hire over the first 3 years of my tenure to bring the Department's personnel back in line with the diplomatic workload.

Mr. Chairman, I am so proud of the young men and women who want to be a part of the Diplomatic Service and the Civil Service that supports the State Department. In the 2 years that I have been Secretary, and I really want to blow the Department's horn on this, 80,000 Americans—80,000 Americans—have turned up to take the Foreign Service exam to be a part of this diplomatic force, to be part of our outreach into the community. This is a significant increase over any other period you may wish to look at in past years. It did not happen just because it happened. It happened because we made an effort to take our case to the American people and encouraged young people to come into the force.

When I first arrived at the State Department, I was distressed to find that for a number of years in the 1990s, we did not hire any Foreign Service officers. Some years, we did not even give the Foreign Service examination. That was outrageous. You know, if you want a battalion commander 15 years from now, you have got to hire a second lieutenant now. If you want an ambassador, career ambassador fully qualified, speaking four languages, knowing all that he or she should know 15 years from now, you have got to bring in a junior Foreign Service officer now, and we had not done that for years.

It would be a tragedy, after encouraging 80,000 young people to get interested in the Foreign Service, to discover that we cannot even hire 399 in any one year. So please, I implore the members of this committee to give me what I need to support our Diplomatic Readiness Initiative—bringing young people who really want to be a part of this Department, who really want to be a part of our diplomatic force—to bring them into the Department so that they can come to the Department, to learn what it is to be a young Foreign Service officer. And I invite you to come down to one of our swearing-ins, when either Rich Armitage or I talk to these youngsters, they raise their right hand, and you have never seen such enthusiasm on the face of youngsters to go out and serve their Nation. So please support that initiative.

Second, I promised members of the Department I would bring state-of-the-art telecommunications and computers and Internet capability to the Department, because people who cannot communicate rapidly and effectively in today's inter-connected world cannot carry out our foreign policy. And we are approaching our goal in that regard as well: Internet capability on every desk, everywhere in the State Department, at every embassy, at every mission, at every far-flung post.

Yesterday, after I spoke at the U.N., within minutes, it was all being translated, it was all being put on CD-ROM, it was all being fired over the Internet to every U.S. Embassy in order to get the word out. It goes to one of the goals you touched on earlier, Mr. Chairman: getting the word out, touching the world, letting people

know what we think, what we believe. And this morning, my staff is proudly showing me all of the Web site products that they have produced overnight and everything else they have done to get the word out.

I was musing with my staff this morning that increasingly we live in a world of pictures, and a world of television. My presentation yesterday went out around the world, and people saw it, and there was a picture in one of our newspapers this morning of a group of young marines sitting in an aircraft carrier watching the presentation live. They are not waiting for it to be written up. They are not waiting for somebody to comment on it. They are not waiting for a talking head to tell them what they saw. They were seeing it, 10,000 miles away, in real time, and making their own judgment.

We have to make sure that we get all of our diplomats in every embassy the same kind of real-time capability to know what is going on and to convey that message to all of the audiences that we have to deal with around the world in both unclassified and classified communications capability, including desktop access to the Internet. Every man and woman in the State Department must be connected, and this budget will put us there, at least move us well along in that direction.

Finally, with respect to my CEO role, I really wanted to sweep the slate clean and completely revamp the way we construct our embassies and other overseas buildings, as well as improve the way we secure our men and women who occupy them, men and women who are in danger. That task is a long-term one, an almost never-ending one, particularly in this time of heightened terrorist activities. But we are well on the way to implementing both the construction and the security tasks in a better way, in a less expensive way, in a way that subsequent CEO's of the State Department can continue and improve on. And I want to brag about our overseas building operation under the leadership of retired General Chuck Williams, and what a great job they are doing in bringing the costs down of our embassy facilities around the world, and doing it in a way that makes maximum use of modern technology, modern construction techniques, and modern construction management techniques, standardization of our products, but at the same time, doing it in a way that is sensitive to the culture of each country in which our facilities are located.

Mr. Chairman, as the principal foreign policy advisor to President Bush, I have priorities as well. Let me highlight our key foreign policy priorities before I stop and take your questions, and while I am talking about foreign policy, I want to thank this committee for the 19 to 0 vote yesterday for the Moscow treaty. I hope this committee will continue to give its full support to this important treaty, as the full Senate considers its ratification.

I would hope, Mr. Chairman, that it would be possible to have this treaty ratified by the end of this month, if at all possible. Yesterday, I spoke to my Russian Federation colleague, Igor Ivanov, Foreign Minister Ivanov, and they are prepared to move it through the Duma as well. And I hope that before this spring, or perhaps maybe before the fall is out, we will be in a position to exchange

the instruments of ratification between the United States of America and the Russian Federation.

Mr. Chairman, the 2004 budget proposes several initiatives to advance U.S. national security interests and preserve American leadership. The 2004 foreign operations budget that funds programs for the Department of State, USAID, and other agencies is \$18.8 billion. Today, our No. 1 priority is to fight and win the global war on terrorism. The budget furthers this goal by providing economic, military, and democracy assistance to key foreign partners and allies, including \$4.7 billion to countries that have joined us in the war on terrorism.

Of this amount, the President's budget provides \$657 million for Afghanistan, \$460 million for Jordan, \$395 million for Pakistan, \$255 million for Turkey, \$136 million for Indonesia, and \$87 million for the Philippines. In Afghanistan, this funding will be used to fulfill our commitment to rebuild Afghanistan's road network. It is not just a road, it is something that will connect this country, connect its commercial centers, connect it politically, and start to bring this nation into a sense of unity, and not just different regions that are off pursuing their own destiny.

In addition, it will establish security through a national military and national police force, it will establish broadbased and accountable governance to democratic institutions in an active civil society. It will ensure a peace dividend for the Afghan people through economic reconstruction, and provide humanitarian assistance to sustain returning refugees and displaced persons.

United States assistance will continue to be coordinated with the Afghan Government, the United Nations, and other international donors.

Mr. Chairman, I also want to emphasize our efforts to decrease the threats posed by terrorist groups, rogue states, and other non-state actors with regard to weapons of mass destruction and related technology. To achieve this goal, we must strengthen partnerships with countries that share our views in dealing with the threat of terrorism and in resolving regional conflicts. The 2004 budget requests \$35 million for the nonproliferation and disarmament fund, more than double the 2003 request, increases funding for overseas export controls and border security to \$40 million, and supports additional funding for science centers and bio-chem redirection programs.

The funding increases requested for these programs will help us prevent weapons of mass destruction from falling into the hands of terrorist groups or States by preventing their movement across borders and by destroying or safeguarding known quantities of weapons or source materials. The science centers and bio-chem redirection programs support the same goals by engaging former Soviet weapons scientists and engineers, engaging them in peaceful scientific activities, providing them with an alternative to marketing their skills to States or groups of concern.

The budget also promotes international peace and prosperity by launching the most innovative approach to U.S. foreign assistance in more than 40 years. The new Millennium Challenge Account, an independent government corporation funded at \$1.3 billion, will redefine development aid. As President Bush told African leaders

meeting in Mauritius recently, this aid will go to nations that encourage economic freedom, root out corruption, and respect the rights of the people. This, I think, is one of our most significant initiatives. I am so proud of it, and the President really is showing enormous leadership by instituting this Millennium Challenge Account.

As opposed to looking at foreign aid through who was on the right or wrong side of the cold war, now we want to know who is on the right or wrong side of democracy, economic democracy, the individual rights of men and women, transparency in government, and the end of corruption. We want to know who is on the right and wrong side of those values as we move into this new century. And those nations that are on the right side, and are developing, will find the United States is there to help them through the Millennium Challenge Account.

Moreover, this budget offers hope and a helping hand to countries that are facing health catastrophes, poverty and despair, and humanitarian disasters. The budget includes more than \$1 billion to meet the needs of refugees and internally displaced peoples.

The budget also provides more than \$1.3 billion to combat the global HIV/AIDS epidemic. The President's total budget for HIV/AIDS is \$2 billion, which includes the first year's funding for the new emergency plan for HIV/AIDS relief announced by the President in his State of the Union Address. These funds will target 14 of the hardest-hit countries in Africa and the Caribbean.

This budget also includes almost a half a billion dollars for Colombia. The funding will support Colombian President Uribe's unified campaign against terrorists and the drug trade that fuels their activities. The aim is to secure democracy, extend security, and restore economic prosperity to Colombia, and prevent the narcoterrorists from spreading instability through the broader Andean region.

To accomplish this goal requires more than simply funding for Colombia. Therefore, our total Andean Counterdrug Initiative is \$731 million. Critical components of this effort include resumption of the Air Bridge Denial program to stop internal and cross-border aerial trafficking in illegal drugs, stepped-up eradication and alternative development efforts, as well as technical assistance to strengthen Colombia's police and judicial institutions.

Mr. Chairman, members of the committee, to advance America's interests around the world, we need the dollars in the President's budget for fiscal year 2004. We need the dollars under both of my hats, CEO and principal foreign policy advisor. The times we live in are troubled, to be sure, but I believe there is every bit as much opportunity in the days ahead as there is danger. American leadership is essential with regard to both the danger and the opportunity. With regard to the Department of State, the President's 2004 budget is crucial to the exercise of that leadership.

I have given you far more detail on the President's budget in my written statement and, without objection, of course, you have accepted that statement. I think I will stop at this point, Mr. Chairman, and answer your questions, and I know in the course of your questioning, we will deal with the specific questions that you, Mr.

Chairman and Senator Biden, raise with respect to Iraq and North Korea and other topical issues.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Powell follows:]

PREPARED STATEMENT OF HON. COLIN L. POWELL, SECRETARY OF STATE

Mr. Chairman, members of the committee, I am pleased to appear before you to testify in support of the President's International Affairs Budget for Fiscal Year 2004. Funding requested for FY 2004 for the Department of State, USAID, and other foreign affairs agencies is \$28.5 billion.

The President's Budget will allow the United States to:

- Target security and economic assistance to sustain key countries supporting us in the war on terrorism and helping us to stem the proliferation of weapons of mass destruction;
- Launch the Millennium Challenge Account—a new partnership generating support to countries that rule justly, invest in their people, and encourage economic freedom;
- Strengthen the U.S. and global commitment to fighting HIV/AIDS and alleviating humanitarian hardships;
- Combat illegal drugs in the Andean Region of South America, as well as bolster democracy in one of that region's most important countries, Colombia; and
- Reinforce America's world-class diplomatic force, focusing on the people, places, and tools needed to promote our foreign policies around the world.

I am particularly proud of the last bullet, Mr. Chairman, because for the past two years I have concentrated on each of my jobs—primary foreign policy advisor to the President *and* Chief Executive Officer of the State Department.

Under my CEO hat, we have been reinforcing our diplomatic force for two years and we will continue in FY 2004. We will hire 399 more professionals to help the President carry out the nation's foreign policy. This hiring will bring us to the 1,100-plus new foreign and civil service officers we set out to hire over the first three years to bring the Department's personnel back in line with its diplomatic workload. Moreover, completion of these hires will allow us the flexibility to train and educate all of our officers as they should be trained and educated. So I am proud of that accomplishment and want to thank you for helping me bring it about.

In addition, I promised to bring state-of-the-art communications capability to the Department—because people who can't communicate rapidly and effectively in today's globalizing world can't carry out our foreign policy. We are approaching our goal in that regard as well.

In both unclassified and classified communications capability, including desk-top access to the Internet for every man and woman at State, we will be there by the end of 2003. The budget before you will sustain these gains and continue our information technology modernization effort.

Finally, with respect to my CEO role, I wanted to sweep the slate clean and completely revamp the way we construct our embassies and other overseas buildings, as well as improve the way we secure our men and women who occupy them. As you well know, that last task is a long-term, almost never-ending one, particularly in this time of heightened terrorist activities. But we are well on the way to implementing both the construction and the security tasks in a better way, in a less expensive way, and in a way that subsequent CEOs can continue and improve on.

Mr. Chairman, let me give you key details with respect to these three main CEO priorities, as well as tell you about other initiatives under my CEO hat:

THE CEO RESPONSIBILITIES: STATE DEPARTMENT AND RELATED ACTIVITIES

The President's FY 2004 discretionary request for the Department of State and Related Agencies is \$8.497 billion. The requested funding will allow us to:

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes \$97 million to complete the Diplomatic Readiness Initiative by hiring 399 additional foreign affairs professionals. Foreign policy is carried out through our people, and rebuilding America's diplomatic readiness in staffing will ensure that the Department can respond to crises and emerging foreign policy priorities. This is the third year of funding for this initiative, which will provide a total of 1,158 new staff for the Department of State.
- Continue to put information technology in the service of diplomacy. The budget request includes \$157 million to sustain the investments made over the last two

years to provide classified connectivity to every post that requires it and to expand desktop access to the Internet for State Department employees. Combined with \$114 million in estimated Expedited Passport Fees, a total of \$271 million will be available for information technology investments, including beginning a major initiative—SMART—that will overhaul the outdated systems for cables, messaging, information sharing, and document archiving.

- Includes \$646.7 million for programs to enhance the security of our diplomatic facilities and personnel serving abroad and for hiring 85 additional security and support professionals to sustain the Department's Worldwide Security Upgrades program.
- Continue to upgrade and enhance our security worldwide. The budget request includes \$1.514 billion to fund major security-related construction projects and address the major physical security and rehabilitation needs of embassies and consulates around the world. The request includes \$761.4 million for construction of secure embassy compounds in seven countries and \$128.3 million for construction of a new embassy building in Germany.
- The budget also supports management improvements to the overseas buildings program and the Overseas Building Operations (OBO) long-range plan. The budget proposes a Capital Security Cost Sharing Program that allocates the capital costs of new overseas facilities to all U.S. Government agencies on the basis of the number of their authorized overseas positions. This program will serve two vital purposes: (1) to accelerate construction of new embassy compounds and (2) to encourage Federal agencies to evaluate their overseas positions more carefully. In doing so, it will further the President's Management Agenda initiative to rightsize the official American presence abroad. The modest surcharge to the cost of stationing an American employee overseas will not undermine vital overseas work, but it will encourage more efficient management of personnel and taxpayer funds.
- Continue to enhance the Border Security Program. The budget request includes \$736 million in Machine Readable Visa (MRV) fee revenues for continuous improvements in consular systems, processes, and programs in order to protect U.S. borders against the illegal entry of individuals who would do us harm.
- Meet our obligations to international organizations. Fulfilling U.S. commitments is vital to building coalitions and gaining support for U.S. interests and policies in the war against terrorism and the spread of weapons of mass destruction. The budget request includes \$1 billion to fund U.S. assessments to 44 international organizations, including \$71.4 million to support renewed U.S. membership in the United Nations Educational, Scientific, and Cultural Organization (UNESCO).
- Support obligations to international peacekeeping activities. The budget request includes \$550.2 million to pay projected UN peacekeeping assessments. These peacekeeping activities ensure continued American leadership in shaping the international community's response to developments that threaten international peace and stability.

Continue to eliminate support for terrorists and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and international broadcasting. The budget request includes \$296.9 million for public diplomacy, including information and cultural programs carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources are used to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad.

The budget request also includes \$345.3 million for educational and cultural exchange programs that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities establish the trust, confidence, and international cooperation with other countries that sustain and advance the full range of American national interests.

The budget request includes \$100 million for education and cultural exchanges for States of the Former Soviet Union and Central and Eastern Europe, which were previously funded under the FREEDOM Support Act and Support for East European Democracy (SEED) accounts.

As a member of the Broadcasting Board of Governors, I want to take this opportunity to highlight to you the BBG's pending budget request for \$563.5 million. Funding will advance international broadcasting efforts to support the war on terrorism, including initiation of the Middle East Television Network.

- Mr. Chairman, I know that your committee staff will go over this statement with a fine-tooth comb and I know too that they prefer an account-by-account laydown. So here it is:

Diplomatic and Consular Programs (D&CP):

- The FY 2004 request for D&CP, the State Department's chief operating account, totals \$4.164 billion.
- D&CP supports the diplomatic activities and programs that constitute the first line of offense against threats to the security and prosperity of the American people. Together with Machine Readable Visa and other fees, the account funds the operating expenses and infrastructure necessary for carrying out U.S. foreign policy in more than 260 locations around the world.
- The FY 2004 D&CP request provides \$3.517 billion for ongoing operations—a net increase of \$132.7 million over the FY 2003 level. Increased funding will enable the State Department to advance national interests effectively through improved diplomatic readiness, particularly in human resources.
- The request completes the Secretary's three-year Diplomatic Readiness Initiative to put the right people with the right skills in the right place at the right time. New D&CP funding in FY 2004 of \$97 million will allow the addition of 399 professionals, providing a total of 1,158 new staff from FY 2002 through FY 2004.
- The FY 2004 D&CP request also provides \$646.7 million for Worldwide Security Upgrades—an increase of \$93.7 million over last year. This total includes \$504.6 million to continue worldwide security programs for guard protection, physical security equipment and technical support, information and system security, and security personnel and training. It also includes \$43.4 million to expand the perimeter security enhancement program for 232 posts and \$98.7 million for improvements in domestic and overseas protection programs, including 85 additional agents and other security professionals.

Capital Investment Fund (CIF):

- The FY 2004 request provides \$157 million for the CIF to assure that the investments made in FY 2002 and FY 2003 keep pace with increased demand from users for functionality and speed.
- Requested funding includes \$15 million for the State Messaging and Archive Retrieval Toolset (SMART). The SMART initiative will replace outdated systems for cables and messages with a unified system that adds information sharing and document archiving.

Embassy Security, Construction, and Maintenance (ESCM):

- The FY 2004 request for ESCM is \$1.514 billion. This total—an increase of \$209.4 million over the FY 2003 level—reflects the Administration's continuing commitment to protect U.S. Government personnel serving abroad, improve the security posture of facilities overseas, and address serious deficiencies in the State Department's overseas infrastructure.
- For the ongoing ESCM budget, the Administration is requesting \$524.7 million. This budget includes maintenance and repairs at overseas posts, facility rehabilitation projects, construction security, renovation of the Harry S Truman Building, all activities associated with leasing overseas properties, and management of the overseas buildings program.
- For Worldwide Security Construction, the Administration is requesting \$761.4 million for the next tranche of security-driven construction projects to replace high-risk facilities. Funding will support the construction of secure embassies in seven countries—Algeria, Burma, Ghana, Indonesia, Panama, Serbia, and Togo. In addition, the requested funding will provide new on-compound buildings for USAID in Ghana, Jamaica, and Nigeria.
- The ESCM request includes \$100 million to strengthen compound security at vulnerable posts.
- The request also includes \$128.3 million to construct the new U.S. embassy building in Berlin.

Educational and Cultural Exchange Programs (ECE):

- The FY 2004 request of \$345.3 million for ECE maintains funding for exchanges at the FY 2003 request level of \$245 million and adds \$100 million for projects for Eastern Europe and the States of the Former Soviet Union previously funded from Foreign Operations appropriations.
- Authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended, exchanges are strategic activities that build mu-

tual understanding and develop friendly relations between the United States and other countries. They establish the trust, confidence, and international cooperation necessary to sustain and advance the full range of U.S. national interests.

- The request provides \$141 million for Academic Programs. These include the J. William Fulbright Educational Exchange Program for exchange of students, scholars, and teachers and the Hubert H. Humphrey Fellowship Program for academic study and internships in the United States for mid-career professionals from developing countries.
- The request also provides \$73 million for Professional and Cultural Exchanges. These include the International Visitor Program, which supports travel to the United States by current and emerging leaders to obtain firsthand knowledge of American politics and values, and the Citizen Exchange Program, which partners with U.S. non-profit organizations to support professional, cultural, and grassroots community exchanges.
- This request provides \$100 million for exchanges funded in the past from the FREEDOM Support Act (FSA) and Support for East European Democracy (SEED) accounts.
- This request also provides \$31 million for exchanges support. This funding is needed for built-in requirements to maintain current services.

Contributions to International Organizations (CIO):

- The FY 2004 request for CIO of \$1.010 billion provides funding for U.S. assessed contributions, consistent with U.S. statutory restrictions, to 44 international organizations to further U.S. economic, political, social, and cultural interests.
- The request recognizes U.S. international obligations and reflects the President's commitment to maintain the financial stability of the United Nations and other international organizations that include the World Health Organization, the North Atlantic Treaty Organization, the International Atomic Energy Agency, and the Organization for Economic Cooperation and Development.
- The budget request provides \$71.4 million to support renewed U.S. membership in the United Nations Educational, Scientific, and Cultural Organization (UNESCO). UNESCO contributes to peace and security in the world by promoting collaboration among nations through education, science, culture and communication and by furthering intercultural understanding and universal respect for justice, rule of law, human rights, and fundamental freedoms, notably a free press.
- Membership in international organizations benefits the United States by building coalitions and pursuing multilateral programs that advance U.S. interests. These include promoting economic growth through market economies; settling disputes peacefully; encouraging non-proliferation, nuclear safeguards, arms control, and disarmament; adopting international standards to facilitate international trade, telecommunications, transportation, environmental protection, and scientific exchange; and strengthening international cooperation in agriculture and health.

Contributions for International Peacekeeping Activities (CIPA):

- The administration is requesting \$550.2 million for CIPA in FY 2004. This funding level will allow the United States to pay its share of assessed UN peacekeeping budgets, fulfilling U.S. commitments and avoiding increased UN arrears.
- The UN peacekeeping appropriation serves U.S. interests in Europe, Africa and the Middle East, where UN peacekeeping missions assist in ending conflicts, restoring peace and strengthening regional stability.
- UN peacekeeping missions leverage U.S. political, military and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

Broadcasting Board of Governors (BBG):

- The FY 2004 budget request for the BBG totals \$563.5 million.
- The overall request provides \$525.2 million for U.S. Government non-military international broadcasting operations through the International Broadcasting Operations (IBO) account. This account funds operations of the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and all related program delivery and support activities.

- The IBO request includes funding to advance broadcasting efforts related to the war on terrorism. The request includes \$30 million to initiate the Middle East Television Network—a new Arabic-language satellite TV network that, once operational, will have the potential to reach vast audiences in the Middle East. The request also includes funding to double VOA Indonesian radio programming, significantly increase television programming in Indonesia, and expand BBG audience development efforts.
- The IBO request reflects the shifting of priorities away from the predominantly Cold War focus on Central and Eastern Europe to broadcasting in the Middle East and Central Asia. Funds are being redirected to programs in these regions through the elimination of broadcasting to countries in the former Eastern Bloc that have demonstrated significant advances in democracy and press freedoms and are new or soon-to-be NATO and European Union Members.
- The IBO request also reflects anticipated efficiencies that achieve a five-percent reduction in funding for administration and management in FY 2004.
- The FY 2004 request also provides \$26.9 million through Broadcasting to Cuba (OCB) for continuing Radio Marti and TV Marti operations, including salary and inflation increases, to support current schedules.
- The FY 2004 request further provides \$11.4 million for Broadcasting Capital Improvements to maintain the BBG's worldwide transmission network. The request includes \$2.9 million to maintain and improve security of U.S. broadcasting transmission facilities overseas.

That finishes the State and Related Activities part of the President's Budget. Now let me turn to the Foreign Affairs part.

THE FOREIGN POLICY ADVISOR RESPONSIBILITIES: FUNDING AMERICA'S DIPLOMACY AROUND THE WORLD

The FY 2004 budget proposes several initiatives to advance U.S. national security interests and preserve American leadership. The FY 2004 Foreign Operations budget that funds programs for the Department State, USAID and other foreign affairs agencies is \$18.8 billion.

Today, our number one priority is to fight and win the global war on terrorism. The budget furthers this goal by providing economic, military, and democracy assistance to key foreign partners and allies, including \$4.7 billion to countries that have joined us in the war on terrorism.

The budget also promotes international peace and prosperity by launching the most innovative approach to U.S. foreign assistance in more than forty years. The new Millennium Challenge Account (MCA), an independent government corporation funded at \$1.3 billion will redefine "aid". As President Bush told African leaders meeting in Mauritius recently, this aid will go to "nations that encourage economic freedom, root out corruption, and respect the rights of their people."

Moreover, this budget offers hope and a helping hand to countries facing health catastrophes, poverty and despair, and humanitarian disasters. It provides \$1.345 billion to combat the global HIV/AIDS epidemic, more than \$1 billion to meet the needs of refugees and internally displaced peoples, \$200 million in emergency food assistance to support dire famine needs, and \$100 million for an emerging crises fund to allow swift responses to complex foreign crises. Mr. Chairman, let me give you some details.

The U.S. is successfully prosecuting the global war on terrorism on a number of fronts. We are providing extensive assistance to states on the front lines of the anti-terror struggle. Working with our international partners bilaterally and through multilateral organizations, we have frozen more than \$110 million in terrorist assets, launched new initiatives to secure global networks of commerce and communication, and significantly increased the cooperation of our law enforcement and intelligence communities. Afghanistan is no longer a haven for al-Qaeda. We are now working with the Afghan Authority, other governments, international organizations, and NGOs to rebuild Afghanistan. Around the world we are combating the unholy alliance of drug traffickers and terrorists who threaten the internal stability of countries. We are leading the international effort to prevent weapons of mass destruction from falling into the hands of those who would do harm to us and others. At the same time, we are rejuvenating and expanding our public diplomacy efforts worldwide.

Assistance to Frontline States

The FY 2004 International Affairs budget provides approximately \$4.7 billion in assistance to the Frontline States, which have joined with us in the war on terrorism. This funding will provide crucial assistance to enable these countries to

strengthen their economies, internal counter-terrorism capabilities and border controls.

Of this amount, the President's Budget provides \$657 million for Afghanistan, \$460 million for Jordan, \$395 million for Pakistan, \$255 million for Turkey, \$136 million for Indonesia, and \$87 million for the Philippines. In Afghanistan, the funding will be used to fulfill our commitment to rebuild Afghanistan's road network; establish security through a national military and national police force, including counter-terrorism and counter-narcotics components; establish broadbased and accountable governance through democratic institutions and an active civil society; ensure a peace dividend for the Afghan people through economic reconstruction; and provide humanitarian assistance to sustain returning refugees and displaced persons. United States assistance will continue to be coordinated with the Afghan government, the United Nations, and other international donors.

The State Department's Anti-Terrorism Assistance (ATA) program will continue to provide frontline states a full complement of training courses, such as a course on how to conduct a post-terrorist attack investigation or how to respond to a WMD event. The budget will also fund additional equipment grants to sustain the skills and capabilities acquired in the ATA courses. It will support as well in-country training programs in Afghanistan, Pakistan, and Indonesia.

Central Asia and Freedom Support Act Nations

In FY 2004, over \$157 million in Freedom Support Act (FSA) funding will go to assistance programs in the Central Asian states. The FY 2004 budget continues to focus FSA funds to programs in Uzbekistan, Kyrgyzstan and Tajikistan, recognizing that Central Asia is of strategic importance to U.S. foreign policy objectives. The FY 2004 assistance level for Uzbekistan, Kyrgyzstan and Tajikistan is 30 percent above 2003. Assistance to these countries has almost doubled from pre-September 11 levels. These funds will support civil society development, small business promotion, conflict reduction, and economic reform in the region. These efforts are designed to promote economic development and strengthen the rule of law in order to reduce the appeal of extremist movements and stem the flow of illegal drugs that finance terrorist activities.

Funding levels and country distributions for the FSA nations reflect shifting priorities in the region. For example, after more than 10 years of high levels of assistance, it is time to begin the process of graduating countries in this region from economic assistance, as we have done with countries in Eastern Europe that have made sufficient progress in the transition to market-based democracies. U.S. economic assistance to Russia and Ukraine will begin phasing down in FY 2004, a decrease of 32 percent from 2003, moving these countries towards graduation.

Combating Illegal Drugs and Stemming Narco-terrorism

The President's request for \$731 million for the Andean Counterdrug Initiative includes \$463 million for Colombia. An additional \$110 million in military assistance to Colombia will support Colombian President Uribe's unified campaign against terrorists and the drug trade that fuels their activities. The aim is to secure democracy, extend security, and restore economic prosperity to Colombia and prevent the narco-terrorists from spreading instability to the broader Andean region. Critical components of this effort include resumption of the Airbridge Denial program to stop internal and cross-border aerial trafficking in illicit drugs, stepped up eradication and alternative development efforts, and technical assistance to strengthen Colombia's police and judicial institutions.

Halting Access of Rogue States and Terrorists to Weapons of Mass Destruction

Decreasing the threats posed by terrorist groups, rogue states, and other non-state actors requires halting the spread of weapons of mass destruction (WMD) and related technology. To achieve this goal, we must strengthen partnerships with countries that share our views in dealing with the threat of terrorism and resolving regional conflicts.

The FY 2004 budget requests \$35 million for the Nonproliferation and Disarmament Fund (NDF), more than double the FY 2003 request, increases funding for overseas Export Controls and Border Security (EXBS) to \$40 million, and supports additional funding for Science Centers and Bio-Chem Redirection Programs.

Funding increases requested for the NDF and EXBS programs seek to prevent weapons of mass destruction from falling into the hands of terrorist groups or states by preventing their movement across borders and destroying or safeguarding known quantities of weapons or source material. The Science Centers and Bio-Chem Redirection programs support the same goals by engaging former Soviet weapons scientists and engineers in peaceful scientific activities, providing them an alternative to marketing their skills to states or groups of concern.

Millennium Challenge Account

The FY 2004 Budget request of \$1.3 billion for the new Millennium Challenge Account (MCA) as a government corporation fulfills the President's March 2002 pledge to create a new bilateral assistance program, markedly different from existing models. This budget is a huge step towards the President's commitment of \$5 billion in annual funding for the MCA by 2006, a 50% increase in core development assistance.

The MCA supplement U.S. commitments to humanitarian assistance and existing development aid programs funded and implemented by USAID. It will assist developing countries that make sound policy decisions and demonstrate solid performance on economic growth and reducing poverty.

- MCA funds will go only to selected developing countries that demonstrate a commitment to sound policies—based on clear, concrete and objective criteria. To become eligible for MCA resources, countries must demonstrate their commitment to economic opportunity, investing in people, and good governance.
- Resources will be available through agreements with recipient countries that specify a limited number of clear measurable goals, activities, and benchmarks, and financial accountability standards.

The MCA will be administered by a new government corporation designed to support innovative strategies and to ensure accountability for measurable results. The corporation will be supervised by a Board of Directors composed of Cabinet level officials and chaired by the Secretary of State. Personnel will be drawn from a variety of government agencies and nongovernment institutions and serve limited-term appointments.

In FY 2004, countries eligible to borrow from the International Development Association (IDA), and which have per capita incomes below \$1,435, (the historical IDA cutoff) will be considered. In 2005, all countries with incomes below \$1,435 will be considered. In 2006, all countries with incomes up to \$2,975 (the current World Bank cutoff for lower middle income countries) will be eligible.

The selection process will use 16 indicators to assess national performance—these indicators being relative to governing justly, investing in people, and encouraging economic freedom. These indicators were chosen because of the quality and objectivity of their data, country coverage, public availability, and correlation with growth and poverty reduction. The results of a review of the indicators will be used by the MCA Board of Directors to make a final recommendation to the President on a list of MCA countries.

Africa Education Initiative

With \$200 million, the United States is doubling its five-year financial commitment to the African Education Initiative it launched last year. The initiative focuses on increasing access to quality education in Africa. Over its 5-year life the African Education Initiative will achieve: 160,000 new teachers trained; 4.5 million textbooks developed and distributed; an increase in the number of girls attending school through providing more than a quarter million scholarships and mentoring; and an increase African Education Ministries' capacity to address the impact of HIV/AIDS.

Increases in Funding for Multilateral Development Banks (MDBs)

The FY 2004 budget provides \$1.55 billion for the MDBs, an increase of \$110 million over the FY 2003 request of \$1.44 billion. This includes \$1.36 billion for scheduled payments to the MDBs and \$195.9 million to clear existing arrears. The request provides \$950 million for the International Development Association (IDA) for the second year of the IDA-13 replenishment, \$100 million of which is contingent on the IDA meeting specific benchmarks in the establishment of a results measurement system. By spring 2003, the IDA is to have completed an outline of approach to results measurement, presented baseline data, and identified outcome indicators and expected progress targets. By that same time, the IDA is also to have completed specific numbers of reviews and assessments in the areas of financial accountability, procurement, public expenditure, investment climate, and poverty.

World Summit on Sustainable Development (WSSD)

The WSSD engaged more than 100 countries and representatives of business and NGOs. Sustainable development begins at home and is supported by effective domestic policies and international partnerships that include the private sector. Self-governing people prepared to participate in an open world marketplace are the foundation of sustainable development. These fundamental principals guide the U.S. approach to Summit initiatives. At the 2002 Summit the U.S. committed to developing and implementing realistic results-focused partnerships in the areas of: Water for

the Poor; Clean Energy; Initiative to Cut Hunger in Africa; Preventing Famine in Southern Africa; and the Congo Basin Partnership. At the end of the Summit new relationships and partnerships were forged and a new global commitment to improve sanitation was reached. The FY 2004 Budget supports these partnerships with \$337 million in assistance funding.

The U.S.-Middle East Partnership Initiative

The President's Budget includes \$145 million for the Middle East Partnership Initiative (MEPI). This initiative gives us a framework and funding for working with the Arab world to expand educational and economic opportunities, empower women, and strengthen civil society and the rule of law. The peoples and governments of the Middle East face daunting human challenges. Their economies are stagnant and unable to provide jobs for millions of young people entering the workplace each year. Too many of their governments appear closed and unresponsive to the needs of their citizens. And their schools are not equipping students to succeed in today's globalizing world. With the programs of the MEPI, we will work with Arab governments, groups, and individuals to bridge the jobs gap with economic reform, business investment, and private sector development; close the freedom gap with projects to strengthen civil society, expand political participation, and lift the voices of women; and bridge the knowledge gap with better schools and more opportunities for higher education. The U.S.-Middle East Partnership Initiative is an investment in a more stable, peaceful, prosperous, and democratic Arab world.

Forgiving Debt—Helping Heavily Indebted Poor Countries

The Administration request provides an additional \$75 million for the Trust Fund for Heavily Indebted Poor Countries (HIPC). These funds will go towards fulfilling the President's commitment at the G-8 Summit in Kananaskis, Canada to contribute America's share to filling the projected HIPC Trust Fund financing gap. The HIPC Trust Fund helps to finance debt forgiveness by the International Financial Institutions (IFIs) to heavily indebted poor countries that have committed to economic reforms and pledged to increase domestic funding of health and education programs. In addition, the President's request provides \$300 million to fund bilateral debt reduction for the Democratic Republic of the Congo under the HIPC Initiative, as well as \$20 million for debt reduction under the Tropical Forest Conservation Act (TFCA).

The Administration believes that offering new sovereign loans or loan guarantees to indebted poor countries while providing debt forgiveness to those same countries risks their return to unsustainable levels of indebtedness—a situation debt forgiveness seeks to resolve.

In order to address this situation, the Administration recently invoked a one-year moratorium on new lending to countries that receive multilateral debt reduction. U.S. lending agencies have agreed not to make new loans or loan guarantees to countries that receive debt reduction for one year. The measure will not be punitive. Should countries demonstrate serious economic gains before the end of the moratorium, lending agencies may, with interagency clearance, resume new lending. The Administration hopes that this policy will bring to an end the historically cyclical nature of indebtedness of poor countries.

American Leadership in Fighting AIDS and Alleviating Humanitarian Hardships

This budget reaffirms America's role as the leading donor nation supporting programs that combat the greatest challenges faced by many developing countries today. The FY 2004 budget proposes a number of foreign assistance initiatives managed by USAID and other federal agencies to provide crucial resources that prevent and ameliorate human suffering worldwide.

Fighting the Global AIDS Pandemic

The FY 2004 budget continues the Administration's commitment to combat HIV/AIDS and to help bring care and treatment to infected people overseas. The HIV/AIDS pandemic has killed 23 million of the 63 million people it has infected to date, and left 14 million orphans worldwide. President Bush has made fighting this pandemic a priority of U.S. foreign policy.

The President believes the global community can—and must—do more to halt the advance of the pandemic, and that the United States should lead by example. Thus, the President's FY 2004 budget request signals a further, massive increase in resources to combat the HIV/AIDS pandemic. As described in the State of the Union, the President is committing to provide a total of \$15 billion over the next five years to turn the tide in the war on HIV/AIDS, beginning with \$2 billion in the FY 2004 budget request and rising thereafter. These funds will be targeted on the hardest hit countries, especially Africa and the Caribbean with the objective of achieving

dramatic on-the-ground results. This new dramatic commitment is reflected in the Administration's \$2 billion FY 2004 budget request, which includes:

- State Department—\$450 million;
- USAID—\$895 million, including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention; and
- HHS/CDC/NIH—\$690 million, including \$100 million for the Global Fund and \$150 million for the International Mother & Child HIV Prevention.

In order to ensure accountability for results, the President has asked me to establish at State a new Special Coordinator for International HIV/AIDS Assistance. The Special Coordinator will work for me and be responsible for coordinating all international HIV/AIDS programs and efforts of the agencies that implement them.

Hunger, Famine, and Other Emergencies

Food Aid—Historically the United States has been the largest donor of assistance for victims of protracted and emergency food crises. In 2003, discretionary funding for food aid increased from \$864 million to \$1.19 billion. That level will be enhanced significantly in 2004 with two new initiatives: a Famine Fund and an emerging crises fund to address complex emergencies.

- *Famine Fund*—The FY 2004 budget includes a new \$200 million fund with flexible authorities to provide emergency food, grants or support to meet dire needs on a case-by-case basis. This commitment reflects more than a 15 percent increase in U.S. food assistance.
- *Emerging Crises Fund*—The budget also requests \$100 million for a new account that will allow the Administration to respond swiftly and effectively to prevent or resolve unforeseen complex foreign crises. This account will provide a mechanism for the President to support actions to advance American interests, including to prevent or respond to foreign territorial disputes, armed ethnic and civil conflicts that pose threats to regional and international peace and acts of ethnic cleansing, mass killing and genocide.

SUMMARY

Mr. Chairman, members of the committee, to advance America's interests around the world we need the dollars in the President's Budget for FY 2004. We need the dollars under both of my hats—CEO and principal foreign policy advisor. The times we live in are troubled to be sure, but I believe there is every bit as much opportunity in the days ahead as there is danger. American leadership is essential to dealing with both the danger and the opportunity. With regard to the Department of State, the President's FY 2004 budget is crucial to the exercise of that leadership.

Thank you and I will be pleased to answer your questions.

The CHAIRMAN. Thank you very much, Mr. Secretary. I want to use my 5 minutes to make comments, and maybe to ask a question if we have an opportunity.

First of all, thank you for recognizing the work of our committee in forwarding the Moscow treaty to the floor of the Senate by unanimous vote. I would just say that the committee met on an urgent basis after an e-mail from Senator Biden and myself to be there at 10 so we could finish by 10:30 in order to hear you at the U.N.

Secretary POWELL. Any time that serves your purpose again, Mr. Chairman, I will go back to the U.N.

Senator BIDEN. We may ask you to make a couple more major speeches to get a quorum.

The CHAIRMAN. I thank all members of the committee. The 13 here arrived quickly. A quorum was present. We had good really comments from a number of members, and action, and I hope we can get floor activity on the Moscow treaty. We alert all Members that we anticipate floor activity, and we hope we can do that during February.

Let me also mention that I appreciate your budget item for non-proliferation. That, of course, will be matched and maybe exceeded

by moneys in the Defense budget and the Department of Energy budget. Many Members will have committee responsibilities on this committee and elsewhere, but I would like the support of the Department as we consider how Nunn-Lugar cooperative threat reduction efforts might relate to other countries. I do not want to extrapolate well beyond where our diplomacy may go, but there may come a time when, in working with North Korea, for example, we suggest that we might be helpful in securing weapons or materials of mass destruction, or helping in their destruction. It is not, I think, a far-fetched idea any more than it was with regard to the former Soviet Union at an earlier time.

Likewise, we may be able to work with other friendly countries, India and Pakistan and others, who have developed these weapons. We find real responsibilities in securing all of the materials against those who would venture into their provinces, so I ask for your help to enlarge the scope of American diplomacy and the administration's understanding of the nonproliferation area.

I compliment you on specifically mentioning 80,000 young people who have come to the Department to take the Foreign Service exam, and I will point out, and you witnessed this, Mr. Secretary, as you came into this caucus room today, there are tens, maybe hundreds of young people here in this hearing, or down the hallway trying to get into this hearing. That is great.

The problem that I foresee here, however, is the one that you pointed out. For several years, we had no Foreign Service exam. There were no lieutenants or anybody else coming into the ranks, so that reports now have identified hardship posts at many of our diplomatic stations that are sometimes filled by officers that do not really have all of the normal requirements. That is one of the legacies of failing to recruit, of failing to ensure that the brightest come to the Department.

Now, we have turned that around. What I hope, maybe, in more detail for the record than you may be able to offer now, is information on how we are meeting this hardship post situation, literally how, even given the problems that you have, you are filling in the toughest areas where many of these young people are going to be recruited to go, because that is of the essence in terms of our diplomacy.

Likewise for the record, you have mentioned the communications situation which is so critical. You pointed out, correctly, that your address to the United Nations was sent out promptly to all of the embassies. You mentioned that even in your conversation with Foreign Minister Ivanov of Russia, you were able to talk about the Moscow treaty, and about action we were taking back here, even as you were about to take action at the U.N. That is tremendously important.

But what I hope you can offer is more detail about how the money in this budget really brings our embassies all over the world up-to-speed, which during my visits were not up to speed in many ways. Commercial establishments of American businesses overseas move at much greater speed than does our Diplomatic Corps, and we really have to be on top of it.

I would compliment you specifically, because in our visit this morning, you have mentioned, in addition to your speech to the

United Nations, that you attended a luncheon with all the Security Council members and then visited one-on-one with 13 of them. Now, that is very important for the American people to understand. No amount of communication around the world will achieve this, but to augment your personal advocacy and leadership, this kind of message-carrying is just of the essence, so please detail for us so that we can be better advocates in this budget for those specific needs.

Finally, just let me say, I hope you can help us in getting a plan for Afghanistan. Now, I appreciate, as is always the case, that a certain amount of ad hoc strategy-making and planning has to occur, but now we are in a situation, it seems to me, of the intermediate or the long run, in which there has to be some confidence that this country knows where it is going, and that other countries know where we are going.

I think it is there somewhere, but I have not seen it, and so I hope that you will flesh out, with the Secretary of Defense or with others, an administration plan for Afghanistan, similar to how Senator Biden has talked about a plan for Iraq. We will be concentrating on Iraq Tuesday, and on Afghanistan, as I mentioned, on Wednesday.

I have consumed my time, and therefore, I will not really ask you to use your time except if you want to make a short response.

Secretary POWELL. I will make a very short response, if I may, Mr. Chairman.

With respect to hardship posts, we are working very hard on that. I hope you may have noticed an article in the newspaper not too long ago where the State Department is the No. 1 Department in government in using forgiveness of student loans, or setting aside student loan obligations, for those who are willing to go to our hardship posts, and we are also once again communicating throughout the Department the culture of the Department. We go where we are sent. We are servicepersons. We are men and women who serve where service is needed, and we will take care of these hardship posts. But it is a lot easier when we are given the resources that we need in order to hire the people who are willing to take on these difficult jobs.

People hear "hardship post" and they do not always understand what that means. It means you are asking a Foreign Service officer who might have a family, children, to go to a place where there are no schools, where there is no hospital in case your child becomes ill, and where the living accommodations are not near any standard you would like. We are asking people to go do that for their country, and the wonderful thing is, we do have people who do that, and will do that.

I would like to just brag about one more thing. The last Foreign Service exam we gave, among those who passed the exam, 38 percent were minority candidates. So we are working very hard to make our Foreign Service look like our country. The beautiful diversity that is the strength of this country should be reflected in the Foreign Service.

As for information technology, we can go into that at another time in exquisite detail. It is a subject that I love very much. And with respect to our plan for Afghanistan, we are willing to spend

much more time with the committee on it and, of course, you have the hearing next week. I think we should be very proud of what we have accomplished in Afghanistan in just a little over a year. There is a functioning government. They are slowly reaching out throughout the country. It is still a dangerous place, but not as dangerous as it used to be. It is not as out-of-control as people suggest. The glass is more than half-full, in my judgment, and with each passing day Afghanistan is becoming less and less of a crystal glass, and more of a beer mug that will withstand some of the pressures that we place upon it.

Thank you, sir.

The CHAIRMAN. Thank you, Mr. Secretary. I just have to pause to underline this remarkable statistic that you just shared with us. In this rigorous merit-based test for the Foreign Service, 38 percent who passing were minorities. That is an important point, and I appreciate your making that point.

Senator Biden.

Senator BIDEN. I would like to move the nomination of Secretary of State Powell for President of the United States.

The CHAIRMAN. Easy there, Joe.

Senator BIDEN. Boss, I like your style, and I think that is a very important statistic, a very important figure.

Now, let me, since time is short, get right to it. There are so many questions to ask, we are going to submit a lot of these in writing. I know your staff is always available to us.

Let me speak—and if you could give me a quick answer, I will try to make the first two questions very quick. Iraq. Are you looking that you are likely to have to submit a supplemental budget to us if we end up going to war? Because there is not anything in here.

Secretary POWELL. I am quite sure that, if the diplomatic effort for a peaceful solution is not attainable, and conflict is necessary, there will be a need for supplemental funds not only for the State Department, but for many other Departments as well.

Senator BIDEN. Good. Well, I am sure of that as well. You are one of the Departments that I know is trying very hard to anticipate, although there is no way to know what the parameters of the needs may be if all peaceful means are exhausted and we go to war. I hope you will keep us informed through Deputy Secretary Armitage of what those general parameters are. I know you are not waiting just to think, well, let us see what happens. You are gaming this out, just as the military is gaming out what they may need to do if they have to go, and it would be useful for us, I believe, as a committee, even if all members do not want to be bothered with that, to let us know as you think this through so we can be prepared to be helpful if we get there.

Secretary POWELL. We are thinking it through now, Senator.

Senator BIDEN. The second point, I am disappointed that although the moneys, the export control and border assistance, the science and bio programs that are within the NADR account, they are about what they were in 2003, but they are below what was appropriated in 2002. I think that should be, in my view—I would just warn you, I think, but I will follow the lead of the chairman.

I think that should be increased, but I just wanted to give you a heads-up on that.

Let me go to something you said yesterday in your speech. It does not directly relate to the budget. You devoted a section of your presentation to the ties between Iraq and al-Qaeda, and you identified a “poison and explosive training center camp,” I think that was the quote, in northeastern Iraq.

When the good Senator from Nebraska and I sat in a car for, all told, 11 hours, 7 of which was in the mountains of Iraq, northern Iraq just a couple of months ago, or a month ago, we met with the Barzani and Talibani clans. We met with a whole lot of people, and they were telling us about their concern about what was going on on the Iranian-Iraqi border, which you spoke to yesterday, and last August, there were news reports that suggested U.S. officials were aware of a plant in the region that produced deadly toxin, or ricin, yet the same report said that the United States called off a strike against that Ansar al-Islam facility.

In addition, officials of the Patriotic Union of Kurdistan, whom we met, whose territory borders the Ansar pocket, say that they informed U.S. officials of an al-Qaeda presence in September 2001, and I would ask my friend from Nebraska to correct me if my recollection is wrong about what we were being told when we addressed the so-called Kurdish parliament. Today’s New York Times carries a story based upon an interview yesterday in Norway with Mullah Krekar, the purported leader of the Ansar group.

And so my question is, if you know, how long has the administration been aware of this presence in northeastern Iraq, and if Ansar is so dangerous, and a key part of the link between al-Qaeda and Saddam, why had we not taken direct military action—it is in the “no-fly zone”—against that group, or, alternately, urged and supported the Patriotic Union of Kurdistan to eliminate Ansar? Can you give us an answer to that?

Secretary POWELL. I cannot specifically comment on the information you were given about September 2001 and what was reported to us at that time, and there are other agencies involved.

Senator BIDEN. We were not told—let me make clear, I was not told by the Kurds with whom we met for 24 or more hours that they told the State Department, or the Defense Department in 2001, but at the time we were there, which was at the end of this past year, in December, we were told about that connection, so I am not making the case that they told us in 2001.

Secretary POWELL. We have been monitoring that location, and been closely monitoring who has been going in and out of that place. It has been occupied and unoccupied since last summer. We have had conversations about it. I would rather not, in this setting, go into what contingency plans we have looked at, or what we might or might not have done. But I can assure you that it is a place that has been very much in our minds, and something we have been studying very carefully. And we have been tracing individuals who have gone in there and come out of there, and that is why I was able to make the presentation that I made yesterday.

But with respect to specific military contingency plans we might have had, which might still exist, I would rather not go into any detail in this setting.

Senator BIDEN. Well, I hope either yourself, or you would provide someone from your Department who is able to do that for us on a classified basis.

Let me conclude, Mr. Chairman, by asking one ancillary point. If Ansar is such a threat, why is its purported leader walking around free in Norway, giving interviews, and the reason I asked the question is, it is the only thing out there that sort of undercuts our sense of urgency.

You made a very compelling case yesterday, and I remember sitting watching it with my staff, and one of my staff members turned and said, "look, we have got reconnaissance photo there. It is in the 'no-fly zone.' We could take that out in a heartbeat. Why have we not taken it out?"

My staff did not question what it was, but I am confident that there are people around the country and the world going, if this was so bad, if this is as bad as we are purporting it to be, why is the head of this outfit giving interviews in the Norwegian press, walking around Norway, as well as why have we let it sit there if it is such a dangerous plant, producing these toxins? It would be useful to have, on the record or off the record, an answer to that.

Secretary POWELL. I think in a classified setting we can go into greater detail on that issue, sir.

Senator BIDEN. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you, Senator Biden.

Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you, and again, Mr. Secretary, welcome. We all add to the recognition that has been appropriately given to you today, and your team, for your presentation yesterday.

What struck me as much as anything yesterday about what you said and how you said it was that I believe the world saw a very wise, thoughtful, and cautious America, and if we are to continue to enhance our relationships around the world, work with our allies and through our coalitions of common interest to focus on this great curse of mankind, terrorism, that it is going to require the kind of relationships and presentations that you showed very completely yesterday to the world, so I compliment you and your team, Mr. Secretary, for what you did for our future, as well as our present.

You said something in your statement, as did the President in his State of the Union Message the other night—in fact, if I recall, he ended with something like, these great opportunities abound today in the world. Probably never in the history of man have we seen such possibilities as we see today for good. Now, we understand the uncertainties and great dangers and complications of the kind of world we live in today, and my question is this. Iraq is a problem. It is a concern. It is a threat. It is a challenge that has never been, I do not believe, the question, or you have never had to make that point.

There are other urgent threats to our security around the world. North Korea. I would list the Middle East. I am concerned about what is not happening in Israel, with the peace plan. We have allowed that to drift. We have deferred that. We have got problems south of our border, big problems. You have mentioned some of

these. We have great challenges still in Afghanistan. The India-Pakistan issue is, I think, of great urgency.

You did not make these problems, but you and the President and your team must deal with them, and I would appreciate, Mr. Secretary, you assuring this committee that if we go to war in Iraq, then the leadership and resource capacity of this country, and the focus, will not be turned completely on just Iraq, and we allow North Korea, the Israeli-Palestinian problem and all these other urgent issues that will not get better to drift until we get back to them, and I would be interested in your thoughts about that.

You have surely thought that through. The President has surely thought this through, has talked to his senior advisors like you, again going back to, at least in my opinion, a common denominator, why our allies are so critical, because we cannot do it all alone.

Secretary POWELL. Thank you, Senator Hagel. We do not have the luxury of only dealing with one issue at a time. We deal with all of the issues that you mentioned, and none are being ignored. In my bilateral meetings over the last 36 hours, or 48 hours in New York, a lot of time was spent on North Korea. The night before last, when I probably should have been spending more time getting ready for my presentation, I had an hour-long meeting with the Chinese Foreign Minister, my colleague, Foreign Minister Tang, and most of that meeting was devoted to North Korea.

China has a unique relationship with North Korea, and we spoke about how to find a way forward to work for a solution to this problem. And yesterday, in a conversation, after my speech, with Foreign Minister Ivanov, most of that time was spent on North Korea. So we are not ignoring these issues. We are deeply engaged in these issues. We are in touch with the North Koreans through a variety of channels, and while we note what the North Koreans have said about the reactor start, it is not clear whether it has. But I expect they will start it if they have not started it by now.

We also note that traffic began moving yesterday between North and South Korea through one of the openings through the DMZ that we have been working to achieve, and to get worked out between the two sides, so there are a lot of things that are going on, and not each one of these issues requires the same set of tools or the same set of solutions.

And you talked about the Middle East. A good part of yesterday was also spent on the Middle East, talking to my various colleagues, the Russian Foreign Minister as well as, for example, the Foreign Minister of Chile, who is very interested in the Middle East, surprisingly to some, perhaps, because of the large Palestinian and Jewish populations that live in Chile. And so I once again reaffirmed our commitment to the "road map." I took note of the fact that the President supports the "road map," and now that the Israeli election is over, I expect in the near future we will be moving forward on a "road map." I know the President intends to take a more active role in finding a way forward with the Middle East peace process.

I spent a great deal of time over the last several days on the India-Pakistan issue, met again for the second time in 5 days with the Foreign Minister of Pakistan to discuss these issues and talk about the fact that we managed to calm things down last year. We

do not want to see spring come and tensions escalate again across the line of control, and that has been a subject of considerable discussion.

You mentioned our own hemisphere. In December, I traveled to Mexico, I traveled to Colombia just for that reason, to let them know that we have not forgotten them, and that we are working with President Uribe. I spent time with President Uribe in Bogota to go over his programs and to go over his plan and to tell him that the United States will be there to support him.

So it is a very complex, difficult world, but I think that we are able to deal with these issues, and no one issue can be allowed to block out consideration or the use of our leadership and our political and economic and military forces to think about and deal with other issues in other parts of the world.

Senator HAGEL. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hagel.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman, and Mr. Secretary, welcome, and let me join with the chairman and the ranking member and commend you for a splendid performance yesterday before the United Nations. You just did a first-rate job and made all of us proud. Tremendous work you did. I certainly, like many here, never doubted whether Iraq possessed weapons of mass destruction at all, and I think the evidence you presented yesterday was very effective in a systematic way.

The next task you have in a sense, since this has fallen largely on your shoulders, although I think others ought to share with it, is obviously laying out very clearly to the American public and to the international community to seek support for Resolution 1441, and to lay out what the enforcement is going to entail, how much it is going to cost, what the dangers are involved in all of this. I think you are in a unique position to do that. I think others could help you do it, but it really needs to be done so that people understand all that will be involved in this if that is the course of action we are going to take.

Let me sort of pick up, if I can, on the point that Senator Hagel has raised, and Senator Biden did as well. We had a very, very good hearing the other day. Secretary Armitage was there and did a fine job. We then heard from three of your colleagues that you have known over the years, Ambassador Bosworth, Don Gregg, and Ash Carter, who just did a first-rate job before the committee in talking about North Korea.

Their testimony was excellent, and I know you have had a lot of things to do in the last few days, so you probably have not had a chance to look at that testimony, but to the extent on one of these trips in the next few days you get a chance to read some stuff, or even a synopsis of it, I think you would find it tremendously worthwhile.

I do not want to put words in their mouths, but their concern was, in a sense, the question obviously raised, we have reached the conclusion that there is an imminent threat, at least, that is, the appearance of an imminent threat in Iraq, necessitating a real possibility of a military response rather soon.

The question that they raised is, when you consider the events in North Korea—and I do not need to lay them out, all the—lack of inspections; the million-man army; the obvious movement we are now painfully aware of fissile materials; the real danger of getting plutonium is a matter of deep, deep concern, even some information yesterday, which even adds more alarm to all of this—the question is not relative, why does one issue seem to be more important, but the issue of when and how soon could we get to some bilateral talks here, not that that necessarily is the answer, and I have listened to your response in the past. You do not want to be blackmailed into talks, obviously.

But clearly, there is a mounting sense of danger here on the Korean Peninsula that really does demand, it would appear to many of us, a more serious response to this than we seem to be giving, and I just listened to you talk about meetings you had yesterday in addition to your presentation before the Security Council with other Foreign Ministers, a lot of it spent on North Korea, as I listened to you explain it, but I think it might be helpful to us, having listened to these three individuals who really are concerned about what appears to be a lack of direct talks here to see if we cannot diffuse this situation, and I think those feelings are held by a lot of us as well, and I wonder if you might respond to that.

And then, when we come around—I do not know if we are going to have a second round, Mr. Chairman, but I really do want to pick up on this hemisphere a bit. You know my strong interest in it, and I appreciate some of the things that are being done with Venezuela, Argentina, Colombia, Brazil. There is a long list of major, pressing issues that need to be addressed.

Well, I am not going to get both in. Let me stick with the first one, and I will find some time to come back to the second one.

Secretary POWELL. I have the greatest respect for the three individuals you mentioned, and I fully appreciate and understand the anxiety that exists in town and elsewhere around the world about this situation. And we have indicated to the North Koreans that we are willing to talk to them.

Frankly, when I started the discussions with the North Koreans last summer in Brunei, I made it clear to the Foreign Minister, who I met with at that time, that the United States wanted to engage in a discussion, but we had to deal with these basic issues. Now, the response from the North Koreans to date has been, we will only talk to you. No one else has any interest, and you have to talk to us, and we do not care what anyone else thinks. And until you talk to us, we are just going to keep moving in this direction.

Well, I understand that position, but it does involve other nations. North Korea is a more direct threat to South Korea, and to China, and to Russia, than anyone else. Now, those nations are also encouraging us, “quick, quick, talk to the North Koreans.” But I have to lean back and reflect on how we got where we are.

We talked to the North Koreans back in 1993 and 1994, and we came up with the Agreed Framework between the United States and the DPRK, a bilateral agreement. And that bilateral agreement served, for a period of 8 years, to keep any more plutonium or weapons from being developed at that particular compound, or

complex. And I have given credit publicly to the previous administration for their success in that regard.

But what we discovered is that, while we were celebrating that success and thinking we had bottled something up—put the genie back in the bottle and put the cork back on the bottle—unbeknownst to the previous administration and unbeknownst to us for the first year or so of this administration, is that the North Koreans were off somewhere else busily building another bottle with another genie. And there was no cork in it, when they started doing work on enriched uranium. So they had lost none of their desire and none of the motivation that they still had to develop a nuclear weapon.

And then when we discovered it and faced them with this evidence, they admitted it, they acknowledged it. Even though they are claiming now they did not, they did. They acknowledged it. And in response to our saying, “you have got to do something about this or we cannot move forward,” they said, “well, we will show you how the game is played.” They pulled the cork out of the other bottle and let the genie out.

We are prepared to engage with the North Koreans, and we are prepared to talk to them. But what we cannot find ourselves in a position of doing is essentially panicking at their activities and their demands that you “have to discuss this with us in only the way that we say you should discuss it with us.” We believe that this time, when we get the corks back into the bottles, the bottles have to be removed as well. And this is going to be a long and difficult process to accomplish this. And it is going to take the entire international community working together.

The IAEA condemned North Korea’s actions a few weeks ago; 35 nations and the Board of Governors condemned those actions. It is appropriate for that condemnation to now be brought forward to the Security Council. And we do not believe it is an unreasonable position on our part to say to the North Koreans, “we want to talk to you, we are willing to talk to you, we have no intention of attacking or invading you.” The last thing we want is to see that kind of conflict start on the Korean Peninsula. We are very sensitive to the concerns of our South Korean friends, and Japanese friends, and Russian and Chinese friends. But we all have to work together to find a way forward.

And it has only been a few months since this diplomatic problem has been on our agenda. And we have been working the issue, and I still think it is possible to achieve a diplomatic solution. We have tried to lower the rhetoric. We have tried to understand what they want. But they need to understand clearly what they have to do in order to resolve this problem. So while I am sensitive to the charge that, “you have got to start talking to them right away or else they will do something that will be more troubling and destabilizing,” I think it is essential that we do it in a way that keeps all of our allies together and let our allies know, and our friends know, and our partners in the region know that they have a responsibility as well to persuade the North Koreans that they have to behave correctly.

It is the Chinese President who said, “Chinese policy is not to accept the nuclearization of the Korean Peninsula.” If that is the Chi-

nese position, and it is, then they have something of a responsibility and obligation to play a role in finding a way forward, and not simply saying, the United States has to solve this by talking directly.

We will talk directly. We do have communications with them, and those communications are regular, and we are still looking for the right formula to move forward, give them the security guarantees that they say they would like to have, and say they must have. But at the same time, we are not going to just say, "you have got these guarantees," and then hope they will satisfy our concerns and the world's concerns about what they have been doing with respect to plutonium activities and uranium enrichment.

Senator DODD. In fairness—and my time is obviously up—but in fairness to the three of them, I do not think that was quite their position, but nonetheless I would urge you to take a look at what they stated, nor has anyone suggested that somehow North Korea is not culpable here at all, obviously.

But just one quick point I would raise with you just quickly, and that is whether or not in retrospect in your mind, I mean, obviously, looking back at some of the things that we have done and said over the last couple of years, in your view, in retrospect, looking back, could we have done this a little differently? Have we in some way maybe provoked some of this situation we are finding ourselves in today? In retrospect, looking back, we might have done things a little differently, and I will not ask what differently, but just in your view, is that a fair criticism?

Secretary POWELL. Yes. In retrospect, they started this enrichment activity to find ways to enrich uranium and violate the understandings of the North-South nuclear agreement, the Agreed Framework. All of this began long before this administration came in and said a single word about it.

If anything, the very fact that this administration came in with a rather skeptical point of view with respect to North Korea's activities and the verifiability of what they were saying, in retrospect, seems to have been an appropriately skeptical attitude. And we studied it. We took a look at it for over a year, and then the President made it clear that he wanted a bold approach with the North Koreans. But that bold approach could only be followed up on if we made it clear to the North Koreans that we knew what they were doing, and it had to stop. And they had to come back into compliance with the obligations that they had entered into during the period of the Agreed Framework, the North-South agreement of the early 1990s. And only then could we talk about economic assistance. Only then could the Japanese do what they wanted to do with respect to normalization. Only then could the South Koreans really engage the North Koreans to help the North Korean people.

The President has made it clear time and time again, we want to help the North Korean people, who are starving, who are in economic distress. But we have to find a way to do it that does not suggest to the North Koreans that we are doing it because they have this tool, this weapon that they use, of nuclearization of the peninsula as a way to get us to do it because we are threatened by them. We have to do it on the basis of, "you get rid of this type of program, you stop moving in this direction, you stop the pro-

liferation, you stop selling weapons of mass destruction and missile parts to other nations around the world, and you do something about this million-man army that is bankrupting you, and hanging over the 38th parallel, and you will find a world that is waiting to assist you with the basic, fundamental, economic problems that you have inside that country.”

Senator DODD. Thank you very much, Mr. Chairman. I would just suggest at some point we might want to have a longer conversation on this. There are some disagreements about the background of this. This is not the time or place, obviously we have other issues, but I would hope soon, Mr. Chairman, we might find a forum even in a closed-door setting with the Secretary to go over some of this. This is a troublesome, troublesome setting for many of us here.

Thank you.

Senator BIDEN. Mr. Chairman, may I have 20 seconds to correct the record? When I was talking about Ansar, my staff pointed out I said it was in the area of “the ‘no-fly zone.’” It is in the area controlled by the PUK. It is just due east of Kirkuk, in the zone controlled by the Kurds, but it is below the “no-fly zone.” I wanted to correct the record.

The CHAIRMAN. Thank you, Senator Dodd and Senator Biden, and I would just assure the Senator we will be discussing North Korea, both probably in front of the cameras and behind the cameras, because it is an ongoing pursuit along with our consideration of Iraq and Afghanistan and nonproliferation.

Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman, and thank you, Mr. Secretary, very much. I cannot imagine what your days are like, so thank you for appearing here this morning, and forgive us for deviating a little bit from the budget, but I would like to followup on your answer to Senator Hagel and what is happening in the Middle East, and where we are going with a “road map,” and how you might comment on Prime Minister Sharon’s dismissiveness of the “road map.”

I think he went so far as to say “no, that does not mean anything, we have another plan.” What is happening in Israel?

Secretary POWELL. I do not know what other plan has been referred to by various officials and figures. What we are working on is a road map that we have developed working with the United Nations, working with the Russian Federation, and working with the European Union.

A solution to the problems in the Middle East will take the entire international community working together. That is why we formed the quartet, and why we believe the quartet has been doing valuable work. We have shared earlier drafts of a road map with both sides.

Both sides have things they agree with, and things they totally disagree with within the “road map.” That should not surprise anybody. And the President made the correct decision several weeks ago, after we met with the quartet again, that in light of the Israeli election and the uncertainty associated with the election, we should finish our work or come close to finishing our work—it is still in draft—on the “road map.” And then after the Israeli election, and

at a time in the very near future to be determined by the President, we should make the road map available to both parties and the world for debate and consideration, and for the kind of discussions that will be necessary to move forward.

But the President's policy remains the same. He is committed to the vision he outlined to the world on 24 June last year which also picked up the important initiative of Crown Prince Abdullah of Saudi Arabia. And that vision remains the same: to find a way to reach the creation of a Palestinian State living side-by-side in peace with Israel—the Republic of Israel, a Jewish State, and to also find a way to get to that vision initially by ending the violence, ending the terror, bringing that under control, getting that stopped, transformation of the Palestinian Authority, and bringing forward new leaders on the Palestinian side who have committed to peace and committed to ending violence, and that still remains the President's vision. And his instructions to me have not changed since 24 June, when he gave his speech.

Senator CHAFEE. How do you think the other interested, legitimate parties in the Middle East are reacting to our seemingly hands-off approach? The elections are now over, and we are still waiting for the specifics of the "road map." It seems, from what we hear, or what I hear, that there is a deep concern about our lack of involvement.

Secretary POWELL. We are staying in very close touch with our friends in the Middle East. We have had a number of delegations here recently. I have been in contact with all of my colleagues in the quartet. There is a sense of anticipation, and there is hope that this will come forward soon, the road map and the President's solid support behind that road map in a public way. And I think it is going to happen in the not-too-distant future.

The Israeli election is now over. Prime Minister Sharon is in the process of forming a government. And I hope that we will see movement in the very near future. I have not yet had a chance to discuss with the President how we will move forward with the "road map," but I expect to do that in the next few days.

Senator CHAFEE. One last followup on Prime Minister Sharon's reaction, or his comments. Where do we go if there is such obstruction to the President's initiative from Prime Minister Sharon?

Secretary POWELL. We will see what level of debate, disagreement and agreement is with the road map once it is finally out there. One listens to statements from both sides from day to day, and I take them in stride. I listen to them carefully and take them under advisement. We will see where we go once the President is ready to put forward the road map in a formal way, and the quartet is ready to put it forward. And we will see what both sides are—how they both respond at that time.

Senator CHAFEE. In the last few seconds, when he said, "we have another plan," does that have anything to do with what we are doing in Iraq?

Prime Minister Sharon was dismissive of the road map, and he said, "we have another plan."

Secretary POWELL. I am not familiar with his other plan.

Senator CHAFEE. Very good.

The CHAIRMAN. Thank you, Senator Chafee.

Senator Kerry.

Senator KERRY. Mr. Chairman, thank you very much.

Mr. Secretary, I join my colleagues in thanking you for your presentation yesterday, for its quality and its content. I think that we are all gratified that the administration finally came to the United Nations and made its case to the world, and many of us have said that the hard diplomatic work, and the work of educating America have been too long in the coming.

I think the road would have been much easier for you to this moment, and I think the road would be easier in the days ahead had the administration listened to you. I know your position has always been to try to maximize that international effort, and I think this is a vindication of your position and of the many of us here in the Congress who long pushed for something less unilateral and more of the hard work of diplomacy.

I do not want to go into—I think the case you made yesterday speaks for itself, and those who look for a smoking gun, there is really a kind of a smoking gun. I mean, it does not have to be the gun itself that is smoking. It can be evidence which makes clear the effort to move the gun around before it is actually smoking, and I think you made a very powerful case with respect to that, and that is important here, and people need to look at it dispassionately, nonpartisanly, and with the security interests of our country in mind.

I am concerned about the work ahead to maximize the international effort here, and I know you are, too, and I know you are going to be engaged in that.

I also would say, and I think it is important for all of us to say this, that there is an enormous burden on the United Nations at this point to live up to its responsibilities, and I think those of us who care about multilateral institutions cannot just talk about them in the abstract. They have to perform. They have to step up to their moment, and I think this is one of those moments.

If Saddam Hussein cannot convince the world, and I think it would be very difficult, maybe he can, and I would like you to share with us if you think there are specific ways that he could, in fact, live up to the standard that you have set, given the difficulties of inspections. That is sort of question number 1, if I may.

But I want to ask—because time runs so rapidly here, I really want to ask you about this question that has been raised by colleagues on North Korea. There has been a little bit of revisionism here, if I may say so, Mr. Secretary, politely, because there has been a history of the review process of the administration, and indeed, I think in 2001 there were some changes made in the approach, not to mention the increased heightening of rhetoric, the sort of axis of evil, and pygmy dictator, and other such things.

None of this precludes responsibility from North Korea for breaking the agreement, I understand that, but in late 2000, the heavy procurement efforts for material linked to the highly enriched uranium program became known. In November of 2001, Lawrence Livermore's secret report on the highly enriched program was part of the ongoing intelligence assessment, and in June of 2002 the pieces came together, and top officials concluded they were cheating.

Here we are now, in 2003, and basically, the administration has taken all of its options off the table, the option of military, the option of sanctions, the option of talking for a long time. Now we are talking, but what is really dangerous, what makes this more dangerous than 1994, is that the reprocessing of plutonium is the critical measurement. That is the demarcation line here, and that is the decisive step before the development of weapons. Once the plutonium is reprocessed, the genie is out of the bottle.

Now, there is enough plutonium from existing fuel rods that have been under international control since 1994 to make 5 to 6 nuclear weapons within 6 months, and six more the next year. If the North Koreans resume and complete work on two other reactors that were shut down in 1994, a 50-megawatt reactor and a 200-megawatt reactor, they could be making enough plutonium for dozens of nuclear weapons each year, a literal plutonium assembly line.

Now, why do I stress that? Well, Mr. Secretary, this sort of takes you back to cold war potential. This goes beyond the capacity to have a suicide mission, where they lob a couple, or engage in a couple. It gives them the capacity to have a second-strike capacity, which puts you in a very different structure.

Second, it has a profound impact on the cascading effect of nuclear proliferation in the region in northeast Asia. Japan, South Korea, China, India, Pakistan, all are impacted by the lack of resolve of this, and it is more dangerous because we know that this material can be sold. Even the weapons themselves, to al-Qaeda and other efforts. Unlike Iraq, and I emphasize this, North Korea has an established record of selling weapons technology widely and indiscriminately, obviously.

And many South Koreans have now come to interpret this struggle as not a struggle between them and North Korea, but a struggle between North Korea and the United States, and that is, in fact, something that North Korea is exploiting, so I think the administration has sort of left this fuzzy. I mean, they are saying we do not want nuclear weapons, but it is not the nuclear weapons, it is the reprocessing, and for a long period of time we were exchanging oil for the knowledge that they were not reprocessing.

I think every American would buy the exchange of oil for non-nuclearization of the region. That is what we had. The lifting of the cameras and the lifting of the inspectors has deprived us of that, and yet there is no sense of sort of the demarcation line on the processing, and no clarity from the administration about what option is, in fact, on the table and how we will proceed.

Former Ambassador Galluci and Sandy Berger have made one proposal of a bargain. Others have made another proposal, I believe Michael O'Hanlon at the Brookings.

So could you share with us, is the line worth drawing on reprocessing? If it is, how does the administration intend to do that, and why are we not moving more aggressively with respect to that threat, where it is more real in terms of the long-term threat of nuclearization than the current threat in Iraq, which I agree is a threat, and is one we have to deal with, but it is a different kind of threat.

Secretary POWELL. No options have been taken off the table, the option of sanctions, the option of additional political moves, and no

military option has been taken off the table, although we have no intention of attacking North Korea, the President said that, or invading North Korea. But the President has retained all of his options.

And yes, we are concerned about the step of reprocessing. In fact, that was the subject of the bulk of my discussions yesterday with my Russian, and the night before, with my Chinese colleagues, because I recognize the importance of that step. But at the same time we have to take note of the simple fact that even if you had plutonium facilities still bottled up with cameras and seals and everything else, the reality is that long before we came into office, they had already decided to try to find another way to develop the very materials that are of concern to us, in this case through the enrichment of uranium. And so they had not abandoned, even though we were keeping our eye on Yongbyon, they had not abandoned their basic intention to develop fissile material that could be used in nuclear weapons.

And as we solve this problem, and it is not just a problem of Yongbyon, it has to be solved in a way that we see to the denuclearization of the Korean Peninsula. And the very fact that Yongbyon was left in a manner that the seals could be removed and it could be restarted, because the Agreed Framework did not provide for the elimination and removal of all of the cells until long after the light water reactors were up and running and, you know, it was a future arrangement, left this danger there all along. And so I still think it is possible to find a diplomatic solution, working with our friends.

The South Koreans, the ones I have spoken to, and my assessment of the new President-elect, and my conversations with one of his principal advisors the day before yesterday suggest that they realize it is not just a problem between the United States and North Korea. They want us to do more, as he said, publicly, and we are prepared to do more. But at the same time, we have to find a complete solution to this problem that involves Yongbyon, and enriched uranium, and not leaving in place those elements that could be right back into operation and presenting us a problem 3, 4, 5 years from now.

And what we are communicating to the North Koreans in every way that we can, through all manner of channels, both public and private channels and direct conversations, is that "we want to find a political solution, we want to talk to you, but we believe that the best way to talk is in a multilateral forum so that the other parties who have an interest in this can be involved." And the other parties, frankly, have expressed an interest in participating in a multilateral arrangement that would lead to bilateral discussions.

Senator KERRY. Well, Mr. Secretary, I think there—

The CHAIRMAN. Senator Kerry.

Senator KERRY. I know my time is up. Can I just have an answer to the first part of my question about what, specifically, in your mind, Saddam Hussein might or might not be able to do?

Secretary POWELL. If Saddam Hussein really was interested in avoiding the serious consequences contemplated by 1441, and if he truly had abandoned his goal of having these weapons of mass destruction, and was really committed to changing the nature of his

regime and his policies, he would be pushing out scientists and experts and engineers and everyone else who knew anything about these programs they have had over the last 12 years and saying, here they are, take them anywhere you want, sit down, talk to them, they are the ones with the knowledge of what we have been doing, here they are, talk to them. He would not be giving them classes in how to keep secrets.

If he was really serious about it, he would be telling us what happened to the anthrax, what happened to the bombs, what is going on at this facility, what did you cover up, turn it all over, turn over all of your cards, and let us get this resolved. That is not what he has done, and the United Nations and international community must not ignore its responsibility.

Yes, I have been in the forefront of diplomatic efforts because I do not like war, nobody likes war. The President does not like war, and does not want a war, but this is a problem we cannot walk away from. And when we fought for 7 weeks to get the U.N. Resolution 1441—and I might point out, Senator, that the President decided in early August of last year to go down the U.N. route.

Notwithstanding all of the speculation as to what he did or did not do, it was in early August that we all spoke about this, and the President decided to go the U.N. route. And that decision was agreed to by all his principal advisors at one morning meeting we had in person and by video. And when we structured 1441 to make sure it was not like all other resolutions, it said, you are guilty, you are in material breach now, by the way, you can get out of material breach, but only if you come clean, and by the way, we are going to empower the inspection team to do a better job than they have ever done in the past, and oh, by the way, if you flunk it this time, you cannot just walk away from the serious consequences involved in your further misbehavior.

Everyone who voted for that resolution—and I made this point yesterday—knew exactly what we were talking about, because the day the President spoke, that very afternoon, September 12, I sat down with a number of my Security Council colleagues, many of whom were pushing for an opportunity to have a second resolution, and I said, “OK, it may come to that.” And the President said the other day he “welcomes a second resolution.” But I said to them at that time, “do not vote for this first resolution, 1441, if you are also saying at this time you will not vote for a second resolution when serious consequences are called for. Do not play that double game.”

So everybody knew what we were getting into with 1441, and we all hoped it would work. We all hoped Saddam Hussein and the Iraqi regime or other leaders within Iraq would recognize that this is the time, stop this kind of behavior and these kinds of programs, live in peace with its neighbors, and let the inspectors come in and verify the destruction of this material and find out the truth.

So far, the Iraqi regime, led by Saddam Hussein, has chosen not to do that. We will see what happens when the inspectors visit this weekend, and we will all be looking with great interest at what the inspectors report next Friday.

Senator KERRY. Thank you very much, Mr. Secretary, and thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Kerry. Let me just say, the colloquy between Senator Kerry and the Secretary was very important, and the chair did not want to interrupt either.

Now, both the Secretary and Senator Kerry took seven-and-a-half minutes, which amounted to 15 minutes, and in fairness to other members, the chair is going to maintain a liberal time policy here, but at the same time, I hope members will observe the clocks that are in front of them, and if not, I will try to prompt them, but I do not want to criticize the Senator or the Secretary. It was a very important dialog, but we are just going to try to keep everybody in line.

Senator KERRY. You have a better chance now. Republicans are more disciplined.

Secretary POWELL. I will not try to leave before every Senator has had a chance.

The CHAIRMAN. Thank you. Senator Allen.

Senator ALLEN. Thank you, Mr. Chairman. Thank you, Mr. Secretary. I will try to keep within 5 minutes.

I want to observe the new world that we live in, discuss something positive, and then focus on Iraq, and since I probably will not have enough time, I want to commend you on the technology, the Internet improvements in communications you are trying to make. I want to work with you and your staff to make sure that the consulates in particular are using technology to better process visas and have access to information to make better decisions.

Now, as far as something positive, Senator Nelson was there at the National Prayer Breakfast today, dozens of countries represented there. I was at a table with Secretary Martinez. There were people from several nations, including three from Russia. The CIA Director, George Tenet, was brought forward to read from the Scriptures, and the Russians clapped.

I remarked to them, this is a positive sign, the Russians are clapping for a CIA Director, and one of the gentlemen, in fact, said he was once in the Secretary Advisor's Office which had the responsibilities of counterintelligence. It brought a tear to my eye that, while we may have some differences in the world, even with our Russian friends, it is nowhere near as bad as it was at one time, so—to bring a bright light to today's hearing.

Now, so far as Iraq, I first and foremost want to commend you on your tremendous, steady, calm, rational leadership throughout this issue of disarmament with Iraq, your diplomacy, your caution, your respect for the sovereignty and views of other nations while presenting such a clear and convincing case of evidence. It was very compelling yesterday and throughout this entire effort to disarm Saddam and Iraq of the chemical, the biological weapons as well as the means of delivering them, whether through terrorists or through missiles or other matters.

My question is, how do you see this all now playing out? If this were a jury, it would be beyond a reasonable doubt. I think you would get close to a unanimous decision. But how do you see the disarmament playing out? It is a question, if not now, when, how soon, if they say we need to put in more inspectors, fine, you put in three times as many inspectors, a thousand inspectors, what if they do find a cache of chemical agents, or biological agents, or a

missile that exceeds the 150-kilometer, then what, send in another few thousand?

When will a decision actually be made to make sure that Saddam and Iraq is disarmed, which has generally been stipulated, many of your facts were already stipulated facts. There was evidence from others.

Of course, you did present some new evidence, as well, to bolster the case, as well as the obvious communications of Iraqi weapons shifting around.

In response to Senator Kerry's question, you mentioned a second trigger, a second resolution possibly required from the United Nations Security Council. Could you share with us the views of the administration, if you feel it is appropriate? I know a lot of this is diplomacy and negotiations, and you do not always want to say how you are going to handle a negotiation in something as delicate as this, but could you share with us, when do you see a resolution? Do you think there will be another one? What would be the specifics, and when, in a general timeframe, would we need to go to the United Nations Security Council to get a specific authorization of force to disarm Iraq?

Secretary POWELL. As the President has said, he would welcome a second resolution, and many members of the Council would not only welcome it, but some of them would say, we require one for participation in whatever might come, or to provide authority. We believe there is more than enough authority for military action if that is decided upon in 1441 and previous resolutions. But we understand the attraction of having a second resolution, and we would welcome it, and we would work toward one if that is what comes to pass.

I think it will start to come to a head when Dr. Blix and Dr. ElBaradei return from Baghdad and we see whether or not there is any chance of serious progress. And not just progress on process, but as a serious change of attitude and a commitment to comply that one can believe can come about. And so I would say within weeks, as the President has said, we will know enough to bring this to a conclusion one way or the other.

I cannot tell you today when such a resolution might be appropriate to be offered by one member of the Council or another, or when there might be a vote on such a resolution. But I think we are reaching an endgame in a matter of weeks, not a matter of months. Twice as many inspectors, three times as many inspectors, as was suggested by my French colleague and seconded by my German colleague yesterday, might be useful if there is a change in attitude. If there is no change in attitude, we do not need to hire more detectives. That is not the purpose of it. And so I think this is a matter of weeks.

I might also add that most of the individuals who spoke after me yesterday, members of the Council, already had their presentations ready long before I had arrived in New York. They had already had them printed up. They were handing out printed copies. When you saw them going around, they were handing out printed copies of what they were about to say.

They never hand out a printed copy of what I am going to say, because I never know what I am going to say until I say it. But

later in the day, when I spoke to each and every one of them, and they had heard what I said, there was some shift in attitude, a shift in attitude that suggested, I think, more and more nations are realizing that this cannot continue like this indefinitely. And so I think there might be, perhaps, more support for a second resolution than some might think.

What that resolution would actually look like, and the actual wording of the resolution, as you indicated, Senator Allen, that is something I have to keep rather close to my chest right now.

Senator ALLEN. Thank you, Mr. Secretary.

Secretary POWELL. Mr. Chairman, can I violate your rule of a moment ago and say one more word?

The CHAIRMAN. Of course.

Secretary POWELL. You mentioned consulates. It is very important they be a part of this information technology revolution that we are trying to put forward in the State Department. I am proud of what we have been able to do in recent months after 9/11 to integrate our data bases and integrate the intelligence law enforcement data bases. We are trying to reduce the backlogs. We are trying to make sure that we can approve visas more quickly, but safely. We are going to put a new initiative into play, secure our borders, but keep our doors open. Open our doors but secure our borders.

We do not want this to become a closed nation where we are afraid to let people in. We are a nation that thrives on people coming to our borders, and we are trying to convey that attitude throughout our Consular Corps and work closely with Governor Ridge and the Department of Homeland Security to that end.

Senator ALLEN. If I may followup, will the consulates have the information that the FBI and the CIA has?

Secretary POWELL. My goal, and we are working toward this, is that when a person comes to one of our consulates and applies for a visa, electronically that request will come back and be bounced against every data base that needs to have it bounced against, and the answer will go back to the consular officer electronically as fast as possible. We are not there yet, but we are going to get there.

Senator ALLEN. I look forward to working with you on that specifically. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Allen.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman. I would ask my full statement and some questions for the record be included in the record.

The CHAIRMAN. Without objection, those will be included in full.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. Secretary, welcome. Whatever a person's reaction to the specifics of what you said yesterday, and whatever flows from it, I certainly want to join in the praise and my feeling that there is virtual unanimity in this country that we are very proud of your performance before the United Nations, and I was struck by your remark in answer to Senator Hagel that as a country we do not have the luxury at this time to do just one thing.

I think that perhaps is more true now than at any time in the history of this country, but I would also suggest that in terms of the history of this country, this may be one of the times when it

is most true that doing one thing will have a tremendous impact on other things, and that, I think, is the heart of the matter here with regard to whether we should take unilateral action, particularly in the case of Iraq.

If the administration decides to go to war with Iraq without a Security Council resolution explicitly calling for such enforcement action, what do you think the impact of that decision will be on the international coalition against terrorism? Is it not going to get harder for some of the key governments who will be seen as cooperating with us in the Iraq situation to be able to cooperate with us as well with regard to the effort against terrorism?

Secretary POWELL. I think we can keep the Global War Against Terrorism Coalition intact because I think more and more nations that are in that coalition with us understand that they are at risk. The British, the French, the Spanish, all of them have seen this terror networks and these networks interacting with each other in their own country.

Clearly, it is better if we can do this under U.N. auspices with a new resolution, but if that is not the case, we believe there is sufficient authority in existing U.N. resolutions or, for that matter, in the inherent authority of the President of the United States to defend our Nation, that we can make a convincing case, and we will have a coalition of the willing that will consist of many nations, even in the absence of a new U.N. resolution.

Senator FEINGOLD. Let me press you on that for a moment with respect to the Muslim world. Is it not possible that domestic dissatisfaction mobilized around opposition to U.S. policy in Iraq could help destabilize some of our key allies in the Muslim world? And let us face it, these governments, just like any government, only have so much political capital. We are using up our chits to get them to help us on this Iraq situation and they are using up, frankly, their chits with their own people.

I find it hard to believe, based upon what I have heard in many conversations with diplomats from these countries, that there is not a danger and a price to be paid in terms of their ability to help us in the war against terrorism if we go forward with this Iraq action unilaterally, and I would like you to address that specifically.

Secretary POWELL. There is no question that many of our friends and those who said they would be part of a coalition of the willing have difficult domestic circumstances that they have to work their way through. The popular opinion is against such a conflict, and it makes it harder for them to be a part of that coalition.

What is striking is that they are still willing to be a part of that coalition. They are taking enormous political risk, especially among our European friends. But they think it is the right thing to do, and so far, they have certainly indicated they are willing to take that risk. And if conflict comes, we cannot avoid it, we do not find a peaceful solution, and if we are successful, and if, in that success, we put in place an Iraq that is governed in a responsible way; that it is not investing in weapons of mass destruction; that is living in peace with its neighbors; and that has put in place a representative form of government, with our assistance, that protects the rights of all Iraqi citizens, I think that kind of success will very rapidly

rebound to the advantage of those leaders that are willing to take the risk now.

Senator FEINGOLD. I hope you are right. I am skeptical. I believe this is going to create some real problems in the war against terrorism, but obviously respect your views and will follow it through.

Let me switch to a different part of the world. You have so much on your plate, including the fight against terrorism. It is a global problem, but it also presents global opportunities, and I know that you and I share strong feelings that this relates to Africa as well, and I have felt this more and more as this fight against terrorism has gone on, so let me ask you a question in this regard.

The fiscal year 2004 requests for development assistance [DA] programs in Africa represent a \$42.7 million decrease from fiscal year 2003. Despite this, Sudan is slated for a 27.5 increase, which is wonderful, and I hope that it, of course, facilitates a just and lasting peace in that very troubled country, but other countries are slated for serious cuts, including Kenya, Mozambique, South Africa, Somalia, and Tanzania.

Anticorruption DA funds are requested at a \$6 million level, which is a decrease from the \$7.5 million fiscal year 2003 request. I do not understand the priorities that are reflected by this request, and I would ask you, if you could, to explain the justification for these decreases.

Secretary POWELL. Senator, I cannot give you a detailed answer on each one of these countries. All I can say is that within the total amount that we have in the budget, we had to make choices, and we had to make investments in some places, such as Sudan, and since I do not have all the money I would like to have, we are constrained by what the President is able to put in to the national budget, and what Congress may or may not appropriate for our programs. Choices have to be made, and this was the manner in which we prioritized the various accounts, not only with Africa, but throughout the world.

I would like each and every one of these to be at a much higher level than they were last year, but that is not the luxury I have as we go through with our bureaus and with our desk officers and with our embassies around the world to find out how best to use the money that is going to be available to us.

Senator FEINGOLD. Mr. Secretary, my time is up, but I hope you will take another look at these. It is my opinion that these cuts to these countries do not reflect in particular the challenges relating to terrorism that may exist with regard to some of the African countries, not to mention many other priorities, so I thank you and—

Secretary POWELL. The only other point I would make, Senator, is that even though it may be that the decreases you mentioned overall are in Africa, there is an increase of 4.1 percent when you add in the Millennium Challenge Account and the HIV/AIDS funding the President has requested.

Senator FEINGOLD. I respect that and, of course, I respect the HIV/AIDS initiative, but I think we have come to a time here when we have to focus specifically on which countries are countries that we have to have a very aggressive and appropriate relationship with regard to many issues, including the terrorism issue, and I do

not think these particular choices reflect that, even if the overall number may well be higher, but we will——

Secretary POWELL. I hope we can pursue that in the months ahead.

Senator FEINGOLD. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

I want to thank Chairman Lugar and Senator Biden for getting this committee off to such an excellent start. This important annual opportunity to discuss the foreign affairs budget request is coming on the heels of some very serious and enlightening hearings about some of the most pressing issues before this country. This is an excellent time for a discussion of foreign policy priorities for 2004.

It is always a pleasure to have Secretary Powell before the committee. I share the strong sense of confidence in the Secretary's judgment and competence that is expressed by my constituents back home in Wisconsin.

The Secretary made a compelling presentation before the Security Council. I believe that it largely confirmed what we already knew—Iraq continues to pursue WMD, and Iraq is not in compliance with the UN Security Council's resolution. I have consistently agreed that Iraq's pursuit of WMD is a very serious issue that must be addressed by the international community. Pointing out Iraq's dismal failure to comply with U.N. resolutions using evidence and detail rather than rhetoric was a very valuable step in that direction.

But the most difficult question before us is how to best address this threat. We must determine what action should be taken that will enhance rather than diminish U.S. security, what action will achieve the necessary objective of containing Iraq and dismantling its WMD programs without incurring grave, unnecessary costs.

And even as the situation in Iraq unfolds and the crisis festers in North Korea, the U.S. cannot afford to lose sight of the global campaign against terrorism, which must be this country's very first priority. This effort is multi-faceted. It must be multilateral to succeed, and it must be conducted with both a sense of urgency and with foresight and a focus on long-term stability.

This means that we cannot afford to ignore the global project of assisting the forces of progress and justice in resisting the forces of chaos and destruction. Terrorism has a global reach. We cannot afford to ignore whole swathes of the world.

As a 10-year member of the Subcommittee on African Affairs, I want to take this opportunity to reinforce this point with regard to sub-Saharan Africa. Last year the subcommittee held a series of hearings throughout 2002 focusing on weak states in Africa and U.S. policy options. My purpose in convening the series was to draw attention to some of the manifestations of states' weakness in various parts of Africa—both in terms of humanitarian and economic collapse and in terms of such phenomenon as piracy, illicit air transport networks, and trafficking in arms, gemstones, and people. I wanted to call attention to these issues, and to explore long-term policy options for changing the context in these states—and addressing the relationship between criminal activity, corruption, and humanitarian crisis—to help make these states less appealing to criminal opportunists. By examining the cases of Somalia, the Democratic Republic of the Congo, Liberia, and Angola in these hearings, and by initiating a series of regular, off-the-record roundtable meetings with members of the African diplomatic corps in Washington to discuss their perspective on the campaign against terrorism and U.S. foreign policy, the subcommittee was able to respond to the events of September 11 with a focus on building partnerships over the long term.

Not surprisingly, the most obvious point that we drew from the hearing transcripts and roundtable meetings was that the task before the U.S. is a complex one, and that getting our policy response right is going to be difficult.

In the wake of the attacks of September 11, the President was right to make plain that the U.S. will not distinguish between the terrorists behind the attacks and those who harbor them, and he was right to propose a far more robust, less complacent policy in these cases. But state sponsors are only part of the problem.

The absence of a functioning state is another. The U.S. was short-sighted when we disengaged from Afghanistan and Pakistan once we no longer had cold war-related interests in those countries. America left a vacuum in its wake, and some of the forces that moved to fill that vacuum came to threaten our security in ways we could not have imagined.

The only way to address these diffuse threats is through a long term commitment to re-engagement. Short-term fixes—military strikes or freezing the assets of diamond dealers involved in laundering terrorist assets—may address some immediate threats, but they do nothing to ensure that our children will not face the same problems in the years to come. We must develop policies to help bring lasting stability to these terribly unstable places, to build solid relationships and gain access to solid information.

And our policies must reflect that fact that subordinating basic human rights to accommodate larger strategic goals is a tactic that often comes back to haunt us. In Somalia, in Liberia, and in the Congo, the U.S. backed dictatorships utterly destroyed the institutions of the state and society, leaving civilians few tools for building a better future, and warlords ample opportunity to continue looting these countries' wealth. Regimes that thrive on corruption and injustice eventually create weak and broken states, yet it could not be more clear that our long-term national interests are on the side of accountability and respect for basic human rights.

I would also point out that no American public diplomacy effort can succeed unless principled, engaged policy is backing it up. This means supporting independent governments interested in the fate of their own people and it means supporting vibrant civil societies that can balance the power of government abroad. It means investing in health care and education so that people around the world have a reason to believe in the possibility of progress, and so that societies have a strong and healthy core on which to build. It also means vigorously fighting the HIV/AIDS pandemic—by redoubling efforts to prevent transmission, meaningfully increasing access to treatment, and working not simply to take care of orphans, but to prevent future generations from being orphaned in the first place. I commend the President for the commitment to this issue that he articulated in the State of the Union Address.

And so we all have a tall order before us. We must ensure that we do not fail to keep our eye on the big picture even as we try to deal as wisely as possible with the immediate crises before us. And our budget priorities must reflect this balance.

The CHAIRMAN. Thank you, Senator Feingold.
Senator Brownback.

Senator BROWNBACK. Mr. Secretary, first of all, let me say, Mr. Secretary, I think you are doing a fabulous job on a lot of tough issues you have got spinning in the air. It seems Kim Jong Il in North Korea is bound and determined to make us deal with him at the same time that we are confronting the situation in Iraq. That is the way I read this. He is just saying, look, I am not going to let you deal sequentially with things in the world, I am just going to jam this right up against you, and I hope we do not play his game on his timeframe.

I guess I was noting in today's papers, London Guardian, "North Korea Threatens U.S. with First Strike" in the London Guardian they are quoted there, and then this is in the Washington Post, that the Japanese Government is considering sending two destroyers equipped with GS air defense systems to watch for North Korean missile launches, that they may try to up the pressure even more on us to make some sort of deal or agreement, and I applaud your standing firm against that, and I hope you can continue to do that, even though it seems as if they are bent and determined to use every tool they can to build pressure on you and on us to make some sort of early deal, early agreement that may well not serve our best interests, or the world's best interests, or, even more importantly than all of that, the people of North Korea's best interests, who have suffered so much under this tyrant.

One thing I would like to—I want to bounce around a couple of topics, and time is short, but on the road map in the Middle East, if I could, I am concerned about a point on the road map that it

not follow a prescribed timetable, but, rather, it follow performance, as the President laid out, not any sort of artificial deadlines.

I am troubled also at the enhanced role that the other parties in the quartet set for themselves in monitoring and enforcing the terms of the road map, of what the other parties are saying, what their role is going to be in enforcing and monitoring the terms.

Ultimately, as you have said many times, the Israelis and the Palestinians must make peace for themselves, and that it cannot be imposed from the outside, and I wonder if—you have commented some on this already, but what you see as the record so far for Palestinian reforms that were outlined clearly by the President in the road map, and the role you see for the quartet versus the United States in monitoring and enforcing the road map that has been laid out.

Secretary POWELL. On the first point, the road map is both performance-driven and has a schedule. The President's vision was to see if we could get to a Palestinian State in a very short period of time, relatively, 3 years or so. But you are not going to get there in 100 years unless there is a different kind of performance on the Palestinian side with respect to ending the terror.

No nation is going to put itself in that kind of vulnerable position of continuing terror and create a State from which the terrorists operate, so performance is required. But at the same time, there has to be some sense of timing, some sense of when we could get to a Palestinian State. Because in the absence of that kind of horizon clearly in mind, and the United States and the other members of the quartet committed to that horizon, then you remove some of the incentive for emerging Palestinian leaders to put the hammer down with respect to terrorism.

With respect to the participation of the other members of the quartet, there is going to be enough for all to do. We need the European Union to bring resources of the kind they brought over the years to rebuild the infrastructure of the Palestinian community, we need the United Nations to be ready to play a role, and Russia has always played an important role in terms of following the situation and participating in the peace process in the Middle East. I still, however, believe that first and foremost, it will be the United States and the United States' leadership that will be required to see something happen.

People suggesting that, well, we have abdicated our role to the quartet, nobody in the quartet would say that. It is the United States' leadership that created the quartet, that is driving the road map. It is my staff working on the road map; working with other members of the quartet to bring together something that we can all align behind.

What the quartet has served to do is to have all of us speaking with one voice in one forum, as opposed to each member of the quartet out doing their own thing. And that, I think, has been very, very helpful. But it will be U.S. leadership that makes it happen. And if we get to the point where monitors go in, for example, they are initially going to be U.S. monitors. But we do not want to have the whole burden for this, and I think as confidence is developed as we start down this road, there may well be a role for other na-

tions to contribute to that process, but it is going to be U.S. leadership and U.S. presence that gets the process started.

Senator BROWNBACK. If I could, and I appreciate that, and I appreciate the need for the timetable to create the pressure for the performance, but if the performance does not come, I hope it is the United States that takes the grade and says, OK, performance is not here, and not other members of the quartet that say, well, we think maybe it is enough to be able to get things accomplished.

My time has concluded, but on Iraq, and dealing with the opposition, which I know you have done a lot of work in your office, if Saddam is no longer there, or we are working with a group hopefully with the Iraqi opposition, I hope we can keep working closely with them, get the Liberty TV going, moving forward.

I think it is just very important that we work closely with them as much as possible as we move, it seems like further and further forward here with Saddam not participating with the United Nations, not complying with the agreement, that there may well likely be actions and, if there are, that we have groups that are there working with us in the possibility of a post-Saddam Iraq that can be civil society, a democratic society, a free society that we all hope and pray for in the future.

I know there are a lot of groups that are pulling together to try to see that taking place, and they are working with the State Department, and they need the support and funding from the State Department to do that.

Secretary POWELL. Thank you, Senator. We are working with them, and let me just back up and touch on one aspect of your first question. Reform in the Palestinian Authority has not been adequate. We have seen some bright spots in the Finance Ministry, but we need to see a lot more.

Senator BROWNBACK. Thank you.

[The prepared statement of Senator Brownback follows:]

PREPARED STATEMENT OF SENATOR SAM BROWNBACK

This is a watershed moment for those who have been claiming all along that Saddam needs to be disarmed, but advocated that diplomacy was the path to take. It is clear that Saddam has rejected this path. If France and Germany, among others, will now make excuses as to why it is acceptable for Saddam to have these weapons—as preliminary reports indicate they are doing, then it is painfully clear that these countries do not share our interest and should not have veto authority over America's right to self-defense.

I think one of the most striking points Powell made so clearly yesterday, is that our evidence shows that Saddam's regime are digging holes, moving equipment or burying things at inspection sites shortly before inspectors arrived. This indicates that the Iraqis are aware of where inspectors are going—and therefore, these inspections are not random, and allow Iraqis to avoid detection.

As Powell stated so clearly, Iraq is in defiant breach of Resolution 1441. The only question left to be decided is whether the world community will stand by what it said and enforce its will. If it fails this test, nothing else it says will have sway over future tyrants—for it will be painfully clear that even in the most obvious cases of violating international law, there will not be a consequence because of prevailing politics.

This resolution, which Saddam has clearly violated, came on top of an entire decade of second chances. There comes a time when we must face reality, even if some of our friends refuse to—and the difficult reality is that Saddam Hussein has a demonstrated pattern of lying, developing and using weapons of mass destruction. It is not surprising that he has failed yet again to take advantage of the last chance offered by the most recent U.N. resolution.

The CHAIRMAN. Thank you very much, Senator Brownback. Let me pay tribute to Senator Boxer. She was here at 9:30 and has lasted through the whole hearing just as the Secretary has, so let me give you your opportunity, Senator.

Senator BOXER. Thank you very much, Mr. Chairman.

Mr. Chairman, let me start off by thanking you, because I have never seen such an active chairman, and you are keeping this committee so informed, and I just thank you for that, and Mr. Secretary, on behalf of the people of California, and we have got 35 million, we want to thank you for your service and dedication to your country, to our country, and I know that you are bearing the burdens of that, but you are doing it with grace.

I want to first associate myself with the remarks of many of my colleagues, Republican and Democratic here, when they talk about the many challenges that we face. I have written a letter to Senator Lugar outlining my concerns about the foreign policy direction of the United States, and let me just lay it out, it is a brief comment, and then I have two questions, one on Iraq and one on Korea.

I fear that our foreign policy is becoming quite reactive except for Iraq, where we are driving things, and some of my colleagues have mentioned North Korea and the Middle East, Venezuela, Colombia and Mexico, which is so close to California. That is just to name a few. Senator Feingold mentioned Africa. I am hopeful that we are going to look at this foreign policy in the big picture when we have a chance, and if our chairman will decide to take a look at this, because I see a doctrine that appears to me to be one of designed neglect. As a matter of fact, I heard one of your deputies on the radio, a wonderful gentleman with—I thought he was terrific.

He just said, we have to be ready for whatever comes at us, and I felt that that said something that to me was—he did not mean anything by it, except we have to be ready for things, except I think we have to be more proactive, so perhaps there is a disagreement on that point, you do not see it that way, but just from my point of view, that is how I see it.

Now, there is little disagreement in my state that Iraq must disarm. I have certainly felt that way for months. The question is, how do you bring that about in a way that achieves our goal with the least possible loss of life and the least possible chance that these chemical and biological weapons will be released?

We have a report from the CIA, now declassified, that says if his back is against the wall, Saddam is apt to use these weapons. I know everyone is aware of this, and that is why the people in my state are anxious. They come to me every weekend I go home, Mr. Secretary. Whether it is in the supermarket or taking a walk down the bike path where I live, people are coming up to me from all political persuasions. They do not necessarily have the answer, but they are anxious about this.

They know, because it has been stated over and over again by this Senator as well as by our chairman, Senator Lugar and others, that there were more weapons of mass destruction destroyed in the 1990s by the inspections, by robust inspections, than they were by the bombs.

They understand that, and they also know that during the 1991 Persian Gulf war, we had many people with us both on the field of combat and paying the bills afterwards. And right now, I have asked the question of Secretary Rumsfeld many times, tell me who is sending how many troops. I have yet to have a written response. I am hoping to get that—and who is going to pay the bills. And these things are concerning to my people.

I am a little confused about something. I want to ask you this question on Iraq. I have here a Washington Post story in which you are quoted, just about a month ago, saying the following: “The inspections are really now starting to gain momentum.” Then, just about 2 weeks after that you said, “inspections will not work,” so my question on Iraq is this. Will you turn over the information you so intelligently made public yesterday to the inspectors, and have you given up on inspections? That is the first question, and my second question has to do with Korea.

When Secretary Armitage was here, and he is kind of a favorite of the committee because he is so direct, and I personally think it is great, and I asked him the question, did you and Secretary Powell, or did one of you, or someone from the Department, talk to the President before he put North Korea into the “axis of evil,” before he used that expression? The answer was yes, and you both agreed that they are in the “axis of evil.”

I said, did you talk about what response it might evoke? He said “no, we did not,” and I was rather taken aback, and I thought about that for a few days. Did you contact South Korea to find out what type of response they thought North Korea might have to this, or our friend Japan? Because in diplomacy we all know, for everything you say, everyone is listening, and we have to be aware of the ramifications, and when Senator Dodd asked you the question about, would you do things differently, you talked about the Clinton and other administrations.

I am very concerned that we did not really think about the ramifications of that remark, so could you tell me if you talked to our allies in the region before the President made that speech, and could you tell me, have you given up hope on inspections?

Secretary POWELL. Let me begin by going back to your first point. I simply cannot sit here and not respond to a suggestion that we have no foreign policy or it is a foreign policy of benign neglect.

Senator BOXER. Designed neglect. I did not say benign neglect.

Secretary POWELL. Designed neglect? Designed neglect. Well, I do not like that characterization, either.

Senator BOXER. Yes, I understand.

Secretary POWELL. Over the last 2 years, we have put our relationship with the two most important countries that we have to deal with Russia and China on a solid basis. Yesterday, you voted out the Treaty of Moscow, which got rid of the ABM treaty, which was a source of irritation, which now has the Russians cooperating with us in developing missile defense.

One of the things I talked to Igor Ivanov about yesterday was how can we move forward in missile defense. We have President Putin solidly aligned with us in the global war against terrorism. We have got the Russians working with us in Central Asia in ways that would have been unimaginable just 3 or 4 years ago.

With respect to the other large account that I worry about, China, we started off with a terrible incident having to do with a collision between two planes, and now, 2 years later, we are working with China on a variety of issues. We have got China into the World Trade Organization.

We have doubled—well, not quite doubled. We have had a 50 percent increase with the Millennium Challenge Account in foreign assistance that we are going to be presenting to those nations that have put themselves on a path to democracy in the free enterprise system.

We have created a community of democracy here in the Western Hemisphere.

We are working on free trade agreements with nations all around the world. We are working on a Free Trade Agreement of the Americas.

We have committed ourselves more than any other group of nations with respect to HIV/AIDS, and wiping out this most serious of problems we have on the face of the earth, so I think we have an active foreign policy that is geared to the kinds of challenges we are facing in the 21st century.

And above all of that, I mean, on top of all of that is the way in which this President, this administration, and this Nation is leading the global war against terrorism. Terrorism, the new threat that replaced the ideological threats that we used to have with communism and fascism. So I think we do have an aggressive foreign policy that is moving us in the right direction and moving us forward.

That is not to say that we do not have problems, North Korea, the Middle East peace process, where we have not seen as much progress as I would have liked, and of course, with respect to Iraq.

With respect to inspections, my two statements are not inconsistent. The momentum of inspections was picking up, but with each passing day and week, we saw that the Iraqis were not cooperating. It is not a question of will inspections work or not work. Will Iraq comply or not comply so that the inspectors can do their job? The burden of coming clean is not on the inspectors to make them come clean, but for Iraq to come clean so the inspectors can verify. So I did not think there was anything inconsistent in the statement.

With respect to North Korea, the “axis of evil” remark I saw in the State of the Union before the President said it, as did Deputy Secretary Armitage. We were not surprised by it. And it was an accurate description of the activities of those three countries.

The North Koreans responded in an expected fashion. They did not think they should be included in such an “axis of evil,” and they attacked the United States. It was all vocal. There was no other mobilization of North Korean forces that took place, and no start of a nuclear weapons program as a result of that remark. They did not open Yongbyon as a result of that remark, and they also already had underway, which was the point I was making, efforts to produce nuclear weapons through enriched uranium technology. And that was not caused by the “axis of evil” speech or anything else the United States has done over the past 2 years.

It was a judgment made by North Korea that they wanted to continue to pursue nuclear weapons development, and it was a judgment that was made back in the late 1990s, and it was not something that was known to my predecessors or was known to us during the first year of this administration. It came to my attention for the first time seriously in the summer of last year, and we acted on that information.

And no, we did not discuss the "axis of evil" line with our other friends in the region. We tend not to share the State of the Union Address before the fact. But I do not think that that was the precipitating cause for the problem we now have with North Korea.

Senator BOXER. Mr. Chairman, can I just for the answer to the question, have you turned over the information that you gave us to the inspectors?

Secretary POWELL. Yes. We are turning over to the inspectors all of the information that they can use. Now, there are some things we have that are not related to an inspection of a site, but with respect to sites, we have turned over dozens of them now. I think I can say in this setting we have turned over, our best information is close to 60 different sets of data that are actionable by the inspectors. And we stay in close touch with Drs. Blix and ElBaradei, Assistant Secretary Wolf of my staff, Assistant Secretary for Non-proliferation, is in constant touch with Dr. Blix, and he is linked into the intelligence community to provide whatever assistance Dr. Blix requires.

But what we have been trying to give Dr. Blix is information he can use, and not just information. The same thing with Dr. ElBaradei.

Senator BOXER. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you, Senator Boxer.

Senator Voinovich.

Senator VOINOVICH. Thank you, Mr. Chairman. I ducked out of the hearing, Mr. Secretary, because I welcomed the new Ambassador from Serbia and Montenegro to the United States, and also the President of their parliament, and I do not have to remind you, but maybe the members of this committee, that things are still not stable in that part of the world, that we have troops stationed in Bosnia, we have them in Kosovo, and that we need to continue to make sure that we do not lose the momentum that we have achieved there thus far.

I would like to congratulate you on the wonderful job you did yesterday of presenting the case before the United Nations, regarding the fact that Iraq has materially breached U.N. Resolution 1441. I would like to congratulate you on your aggressive diplomacy. I think we take for granted that you were able to get a resolution out of the Security Council 15-zip. I do not think there is anybody at this table that thought you were going to be able to do it, maybe few people in the world. Yet it was accomplished.

I think it is important that you underscore what you said in response to Senator Kerry, when you indicated that when you asked them to sign Resolution 1441 that, you told them that it meant that if Iraq did not do what it was supposed to do, then you expected members of the Security Council to follow through and

make sure that the resolution was enforced. I think that is really important for people to understand that part of the equation.

I have a question in regard to that, and then I want to skip over to your CEO responsibilities. We know Saddam Hussein has violated the U.N. Security Council resolutions, but as we assess the dangers posed by him right now, there are those who argue that the potential destabilization of the Middle East, and the potential of unleashing terrorism around the world, pose a greater threat than Iraq's continued violation of U.N. Resolution 1441.

In other words, in your opinion, what poses the greater threat to the American people and to the rest of the world? Is it more dangerous to go to war with Iraq, or to allow Saddam Hussein to remain in material breach of 1441 without real consequences? That is a question I would like to just throw out.

I want to move to the CEO aspect of your job. The CEO part of this, I am excited about what you are doing. I said over and over again when Jim Schlesinger testified before my committee 2 years ago—I had the oversight of government management, and now the Federal work force. He said that unless we fix the personnel problem, we will be unable to repair everything else that is wrong with the U.S. security edifice, and I believe the fact that you are hiring the people, that you are improving the technology, that you are fixing up these embassies, I think is very, very important in terms of our future.

I would like to know, do you believe that you have the flexibilities now to get the job done in terms of moving forward with your human capital challenges, and are you in the position to solve a very big problem in the State Department today, and that is compression in the Senior Executive Service, where 75 percent of the people get the same pay? I have talked to one ambassador after another. Of 15 people they have working, five are terrific, five are OK, five are not doing the job. They all get paid the same amount of money, and I would like you to comment on that, as to whether or not you think you are in a position to really get this work force going, keep them on board, and attract new people.

Secretary POWELL. On your first point, Senator, I think we have to deal with Iraq. I do not think we can simply turn away because we are afraid that if military action is required, it would cause some other problems with respect to terrorism. That certainly is a possibility. We are talking to all of our friends in the region who might be subject to that kind of disturbance within their countries, making sure that they understand the threat and the consequences, and are they in a position to manage it. And I think that is a manageable, controllable problem.

I also think it may be well a transient problem, because I think we look at the terrible consequences that can come from conflict without often looking at what will happen when success is achieved, when we win this and when the Iraqi people are liberated, and when it is no longer necessary to have that many U.S. forces staged in the region, and we do not have to worry about weapons of mass destruction floating out of Iraq, and when we have a different kind of Iraq, and when the wealth of Iraq, the oil of Iraq is being used for constructive purposes and not for destructive purposes.

So even though there may be some difficulties in the days of a conflict, or even in the months after a conflict, I think there is also the possibility that success could fundamentally reshape that region in a powerful, positive way that will enhance U.S. interests, especially if, in the aftermath of such conflict, we are also able to achieve progress on the Middle East peace, so that is my answer for that one. We cannot say we are not going to do anything because it will cause us some other problems in the region. This is a problem. It is not just 1441 as a resolution. It is Saddam Hussein as a threat to the region.

With respect to your question on personnel, thank you for your support, Senator, for what we are trying to do. Yes, compression is a problem. I saw the same problem when I was in the military, and the President has proposed some new programs in the budget to deal with how we provide incentive pay for those individuals who are really doing the job, and I look forward to working with OMB and the President and other members of the staff as we determine how best to solve this problem.

We need a strong flow of young people coming up in the Foreign Service, and that is what the personnel action that I am taking, and the Diplomatic Readiness Initiative is all about. And yes, I probably can use new authorities with respect to how long people stay within the service, either Civil or Foreign Service, before a judgment being made that they have served nobly and well, but now it is time to retire.

We do not have the up-and-out situation for all the employees in the State Department that I saw at work in the military, and I am a great believer that you have to let the top leave at some point in order to allow the "young Turks" to come on up, and that is the way we did it in the military. They put me out—yes, they did—at about age 56.

Senator VOINOVICH. Thank you, Mr. Secretary.

[The prepared statement of Senator Voinovich follows:]

PREPARED STATEMENT OF SENATOR GEORGE V. VOINOVICH

Thank you, Mr. Chairman.

Mr. Secretary, I would like to join my colleagues in thanking you for taking the time to appear before the committee this morning. This is without a doubt a challenging time for our country, as we continue our efforts to confront the threat posed by Saddam Hussein and his relentless pursuit of weapons of mass destruction in tandem with the ongoing campaign to address the dangers of international terrorism.

Your active engagement with our friends and allies abroad, most recently demonstrated in your remarks before the U.N. Security Council yesterday in New York, is a crucial component of our nation's foreign policy, and we remain grateful to you for your continued service to our President and to the American people.

As we had the opportunity to discuss in Prague last November, I remain very interested in a number of issues affecting our national security agenda. These include not only developments in Iraq and Afghanistan, but the issue of NATO enlargement, the state of affairs in the countries of southeast Europe, and the problems of organized crime and corruption abroad. I am also deeply troubled with the rise in anti-Semitic violence in Europe and the Middle East, and I am hopeful to work with you during the coming months to address this growing problem.

Mr. Chairman, with your permission I would like to submit a number of questions for the record and request that they be answered in written form at a later time.

Again, thank you, Mr. Secretary, for sharing your time with us today. I look forward to your testimony.

The CHAIRMAN. Thank you very much, Senator Voinovich.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman, and Mr. Secretary, there is the political will in the Congress to do something about the African famine relief. We passed a couple of weeks ago \$500 million extra to do that, and it is an item, as we speak, in conference committee. I would encourage you to speak to those in the budgetary realm not to oppose it in conference. If they do not, we will get it passed in conference.

Secretary POWELL. Senator, I assure you I will take that very powerful message back to those in the budget world.

Senator NELSON. Thank you.

Secretary POWELL. This gives me a chance to talk about another crisis. HIV/AIDS and infectious diseases is one, but hunger and starvation is another one, and it is extremely serious in parts of Africa, southern Africa and the Horn of Africa, and other parts of the world. Not enough nations are contributing money.

The United States is still the biggest contributor. Other nations are not, frankly, doing as much as they could, and the need is greater than ever, and the supply of food, the stocks of food worldwide are not as great as they have been in the past. The surpluses are not there, so all of these elements come together to create a crisis. And it is a crisis that then flows into HIV/AIDS for people that do not have the stamina, the strength to resist these infectious diseases.

Senator NELSON. Thank you for those comments.

Every time I have seen you, I sound like a broken record, and I will not break my past record. Scott Speicher. As we go into this, we have got to keep him in mind. We tried to get the Kuwaitis to raise the issue of Commander Speicher in their bilateral talks with the Iraqis on POWs. They demurred, because they wanted that to be in the overall committee instead of a subcommittee, so I raise that prospect of our American flyer over there possibly alive.

Secretary POWELL. Scott Speicher is never out of my thoughts. He was lost in a conflict that I supervised as Chairman of the Joint Chiefs of Staff. It is a personal matter as well as a professional one.

Senator NELSON. Thank you, Mr. Secretary.

Finally, Mr. Secretary, in what was referred earlier in this London Guardian article today in which North Korea's Foreign Ministry is quoted as saying, "preemptive attacks are not the exclusive right of the U.S.," and they are actually quoted in here, a Deputy Director of the Foreign Ministry, saying that they "would consider a preemptive attack."

Can you clarify for our committee what is the administration's policy on preemption? There was quite a debate on this earlier in the summer. I wish you would clarify that for us.

Secretary POWELL. In the President's National Security Strategy, he spent a great deal of time in that document talking about alliances, talking about economic development, talking about the spread of democracy, and all sorts of issues that cover the gamut of our foreign policy activity, our defense policy, our national security policy.

There were two pieces in that document that got more attention than anything else. One was the subject of preemption. It was

about a paragraph-and-a-half in one of the chapters that said, preemption is an option. Preemption is always an option. It is always a tool, a tactic, something one could do to preempt something that was coming your way, that you could see clearly coming your way.

In the post 9/11 environment, it seemed appropriate to highlight that and to perhaps elevate it in priority with respect to options available to you now that we saw terrorists coming at us, so why would one not preempt a terrorist coming our way, and raise for the consideration of policymakers, and for the rest of the world to take a look at, our willingness to go after somebody who was coming at us?

Preemption in my judgment, and we could get into a think tank setting and argue this all day long, but preemption in my judgment is not a strategy, it is one of the tools available to a President as part of a toolbox full of tools.

The other thing that got all of the attention in the President's National Security Strategy document was something that was in—I think it was in the last chapter dealing with the military and it said, it is the policy of the United States to always make sure that we are stronger than anybody else. Many people read into that something imperialistic or unfortunate, but it seems to me it makes good, common sense.

I think we have always tried to be stronger than anyone else who might threaten us for two reasons: first, to make sure that if it ever came to conflict, we would be stronger, and second to persuade anyone coming along that you really cannot match us, and therefore do not try.

The Soviet Union tried for 40 years, until they went broke. We can afford it, you cannot, and you cannot get an advantage on us, so you really should not try. We do not have any hostile intent with anyone who wants to be our friend, and so, what you really ought to do is engage us in a partnership that will benefit both of us, and do not try to challenge us militarily, because you will come in second.

Senator NELSON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Nelson.

Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

It is kind of fascinating as I sit here and listen to your testimony, Mr. Secretary, you talk about the U.S. leadership in dealing with the quartet, and U.S. leadership in getting the United Nations to uphold and then to enforce its many, many resolutions regarding Iraq, the U.S. leadership on AIDS, the U.S. leadership in dealing with world hunger, clearly the responsibility of representing the greatest Nation in the world, and I just want you to know you do a tremendous job representing this country and our President.

Three comments, one question. First, I join my colleagues in applauding your very compelling presentation before the United Nations, and am very appreciative of the effort to build a broad, multilateral international effort. It seems to me that there is very little dispute amongst us Saddam Hussein is a threat, he is in material breach, he needs to be dealt with, and clearly, building this support effort is something that we all support.

Second, in regard to North Korea—I am not the Secretary of State. I can say this—North Korea reminds me of a spoiled brat. They have knocked their food and their plate off the high chair, and they are looking for undivided attention, and I do hope, as we talk about multilateral approaches, and you said it today you fully support it, there are others in that region who have a real stake in making sure that that child, that spoiled brat—I do not have one myself, by the way, but I have seen others—that they are dealt with with them at the table, Russia, South Korea, Japan, China, and so I support those efforts.

A third comment, thank you, and I thank the President for his bold move in dealing with the AIDS issue, very, very, very important, very supportive, I think \$1 billion increase this year and \$10 billion over 5 years.

Also, you made mention of the Millennium Challenge Account. I believe that this President is seeking for the first time to fund that account, important, and I think it adds to in addition to the other dollars that we are providing, we should not discount the impact that that effort is having.

A fourth issue, and actually the question, shifting focus a little bit, drugs. In this country, we are seeing, I think, its ugly head being raised again. For a while, I think we had a sense that we were making headway, and that we were putting this grave threat to our kids and to our national security, that we were kind of putting a cap on it, and I sense, as a former prosecutor and former mayor, that it is kind of raising its ugly head again.

I know there is a substantial commitment, I believe \$731 million for the Andean counterdrug initiatives, including \$463 million to Colombia. My question is this. As we look at the issue of dealing with Colombia, my fear is it is kind of like squeezing a balloon, that if you squeeze it in one place, it pops out in another place.

Can you talk to me a little bit of the regional perspective, of how do we deal with this threat of drugs coming from this area, and understanding, by the way, we have an obligation at home to deal with the demand side. I understand that, but can you talk to me a little bit about, are we focusing perhaps in one area and not giving as much attention to the others, or do we have a broad regional approach to what is a growing threat to this country?

Secretary POWELL. I think it is a broad regional approach. We recognize the balloon phenomenon that you mentioned, and therefore we are working on all sides of that balloon, or all parts of that balloon, hopefully and ultimately to bust the balloon, puncture it. So we are working with Colombia, where we think the major problem is right now.

There has been an increase in crop eradication, and we are glad to see that that is now getting into high gear. I hope in the very near future the aerial denial program will be back in operation. We have seen some statistics recently reported by the office responsible for this, in drug control and prevention, that some of these statistics with respect to the use of drugs on the part of our young people is starting to go in the right direction. Kids are starting to get smart, and as you know, Senator, that is where we have to solve the problem.

And so I think it is a broad approach, not just Colombia but the other nations as well, and that is why we shifted it from being just Colombia to the Andean Drug Initiative.

Senator COLEMAN. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Coleman.

Senator Corzine.

Senator CORZINE. Thank you, Mr. Chairman. As the last Senator in the gauntlet here, let me, like everyone on the committee and across America, thank you for your leadership and also for the professionals in the Department that carry out this effort with regard to diplomacy day in and day out. It was a compelling presentation yesterday to those of us who had some skepticism.

There is a behavioral breach that I think is clearly presented, but I think it is equally true that not only the presentation was compelling, the advocate was compelling because there has been a commitment to diplomacy, there has been a commitment to prudence, and a commitment to multilateral approaches that preceded that, which I think is essential in our foreign policy efforts, so I congratulate you and all of those who are committed to that approach.

You know, we have heard Inspector Blix say we are at 5 minutes to midnight. I guess my question is, is there a practical nonviolent solution still possible? We hear talk about exile or—but I guess I would like to explore what are the consequences of the admission of a smoking gun, an admission? Is there a way to move if that were an action taken by the Iraqi regime now that seems to be in conflict in a lot of people's minds if one were to admit that would bring on the severe consequences potentially as well?

The second question, and this one is based on certainly my own frustration, but I hear it among my colleagues as well. Often, when we are considering these incredible issues of putting men and women into harm's way, we are making decisions without full information. Sometimes it feels like selective information. I will give you a particular case in point. This whole North Korean issue was in the system before we took a vote here in the Congress. It is troubling to me that we make decisions without full disclosure of important and relevant information.

My question, are there other risks of weapons of mass destruction being produced potentially in the hands of those who would distribute them in the world? Are we thinking about this in as comprehensive an approach as we should be?

And third, this is actually less important than the others, although I think it is very important to address, what are the risks of some of the conversation we see in the press that we talk with regard to tactical and boutique nuclear weapons being used with respect to incenting other bad actors in the world to be protective of maybe bad interests, but accelerating those interests as we go forward?

Secretary POWELL. I just cannot put a likelihood or handicap on whether he would go into exile or not.

Senator CORZINE. Excuse me?

Secretary POWELL. Exile. You touched on exile for Saddam Hussein. I just cannot say what the likelihood is of that or not. It is

bandied about, but I have seen nothing to suggest that he has started to pack his bags.

Second, with respect to where would we be if he admitted, and he showed us all the smoking guns, that would certainly be a major change, and something we would have to take a look at and see if it is serious, and see whether it reflected just a tactical move on his part or was a fundamental change in the nature of that regime and the nature of its strategy. I think the President, as well as the other heads of state and government and the Security Council would then have to consult as to whether or not this was a solution, or whether it was just another diversion. But I would not bet on that happening either in the next week or so.

With respect to North Korea, I have heard the suggestion that perhaps the administration was withholding information about what we knew until after the vote on the joint resolution. I can just assure you, Senator, that was not the case. We got the information. I kept pressing to make sure the information was accurate.

I knew the seriousness of the information, and throughout the late summer, we kept pulsing the intelligence community to make sure we had it right. Then we started to conduct briefings of our friends and allies, and then we slowly started to spread the information out. Even then, we were trying not to precipitate a crisis in the region, and we wanted to approach the North Koreans in a way that said to them, "look, we have begun a dialog again,"—my dialog with the Foreign Minister in Brunei, and then we sent Assistant Secretary Kelly to North Korea in October.

And Kelly was prepared to give them a bold approach with respect to cooperation in economic development and other matters; how we could help them support what the Japanese wanted to do with normalization, to support even more the sunshine policy of the South Koreans. But we could not do that unless they were ready to stop their proliferating activity and their nuclear weapons development activity which we knew at that time had shifted over to uranium enrichment, and to our surprise, rather than deny it and say, "let us talk more," they said, "we did it, what are you going to do about it?"

Senator CORZINE. I thought that happened 10 days—

Secretary POWELL. It happened about 10 days before it became public knowledge, and we were still reflecting on the implications of what they said to us and what we should do about it. And it was not being hidden for the purposes of influencing a vote. And I am not sure it would have been relevant to influence the vote in any event. But there was never a conversation that said, "let us hold this until the vote is over."

The conversations were, how do we deal with this information, how do we deal with this new situation, and how do we present it to the Congress in a way that makes sense and is consistent with our other concerns about our friends in the region. But it was not held. And when it finally became public before we had finished all of our deliberations, I can just assure you there was no consideration of it being held, or not being made public, or to trying to keep it from being leaked until after the vote on the joint resolution.

The CHAIRMAN. Thank you very much, Senator Corzine.

Senator Sununu.

Senator SUNUNU. Thank you, Mr. Chairman.

Mr. Secretary, I think as we speak here, there is a press conference taking place in Baghdad, where the government spokesman is commenting on your presentation. Now, I am obviously not listening to it, but my guess is the presentation will suggest that the evidence you presented yesterday, photographs, intercepts, satellite surveillance, videotape, was not really evidence, and that they welcome back Mr. Blix with open arms and with a renewed sense of cooperation.

My question is, are you looking for a particular verbal response, or set of commitments from Iraq right now, or does it just come down to actions?

Secretary POWELL. Actions, really. They dismissed my presentation before I gave it. The day before yesterday they said, "we know what Powell will come up with. It will be phony satellite pictures and doctored transcripts and all sorts of other things." So they dismissed it before they saw it. It is predictable. It is what they always do. It is their pattern of behavior.

And even after my presentation yesterday and, frankly, while I was giving it, I could look out of the corner of my right eye and see the Iraqi delegation scribbling away to modify the remarks that their Permanent Representative would use. And of course, he instantly attacked every single element of the presentation, and it was all fabrication, it was all lies. And I think at one point he said, "and even third-rate intelligence agencies can doctor transcripts to make it sound like what has been put up on the screen."

Well, guess what, we are not a third-rate intelligence agency. We did not have to doctor anything. There was nothing doctored in those tapes, or in anything else we presented yesterday. They will try to distract attention. They will try to deceive. They will try to trap us in rhetoric. They will try to pretend that there is nothing going on, and that it is all phony when what they ought to do is when Drs. Blix and ElBaradei, Hans and Mohammad show up there on the weekend, they ought to come clean.

Senator SUNUNU. The Iraqi response aside, could you talk a little bit more about the response after your presentation with the other Security Council members? I know you suggested it was a positive reaction, that you think there was even some movement. How many of the other members of the Security Council or the government representatives were you able to speak with, at least in an informal way, and any other specifics about those discussions that would be helpful, that you might share with the committee?

Secretary POWELL. I had one-to-one conversations, or delegation-to-delegation conversations with 13 of the 15 members. The United Kingdom had to leave right way, and I did not need a conversation with Jack Straw, and I did not need a conversation with myself, but all of the other 13 I spoke to directly.

I have to leave it to them, if I may, Senator, to comment on their position, and I have to give them the opportunity to go back to their capitals and talk to their head of state or government and have their own deliberations before I prematurely say what I think they might do in the future.

Senator SUNUNU. I have a number of other topics I want to touch on briefly, and I will try to be very short in my questions.

First, in the conversation about the Mideast peace process, earlier, you talked about the need for more in the way of advancement and reforms from the Palestinian Authority. You talked about optimism in response to what was happening in the Finance Ministry, I believe. Are there one or two other specific priorities you would like to see in addition, or what issues would you highlight most?

Secretary POWELL. The one I would highlight is security. We need to see a lot more on security, and that has been the weakest link, and until we can put in place a security apparatus that is competent, that is professional, and that the Israelis find competent and professional and have enough confidence that they can work with them, then we really will not see the kind of transformation that I think is necessary.

The other thing that I would highlight is political transformation. We made it clear we need new leaders to emerge. And I would frankly like to see a Prime Minister emerge who has some independent authority of his own.

Senator SUNUNU. I want to touch on the issue of security more broadly now with regard to embassies, embassy construction. I was able to have a discussion with some of your team looking at the embassy and security construction needs around the world late last year. I do not want to dwell on the negative. I think there has been a lot of positive, so forgive me for phrasing the question this way, but what setbacks have there been? Have there been any unexpected problems or setbacks with construction, and is there anything that the committee can do to try to alleviate those logjams?

Secretary POWELL. I am not aware of any particular setback, or particular embassy that is having a problem. But I will check with General Williams to see if there is anything that I should bring to your attention. I am very pleased at the progress we have made, and we are trying to use the \$1.5 billion a year you give us in the most efficient manner possible.

I am sure that there may be one facility or another that is having a little difficulty, but we have been able to bang through all of the problems that we had encountered over the last 2 years, but I will check with General Williams if there is anything I should be highlighting.

Senator SUNUNU. I would appreciate that. I think it is an important program. I know you value the program, but it is also, I think, a fair statement that Congress does not like surprises, so any problems or setbacks that are occurring, the earlier those problems can be raised, the better.

My last question deals with assistance to the former Soviet Republics. They are cooperating to a large degree in the war on terrorism. I had the chance to visit Uzbekistan and Tajikistan, and I know there is some additional assistance, I think a 50 percent increase in assistance to those countries.

I know it is not easy, it is a subjective decision, but I would like you to talk a little bit about how you tradeoff the assistance, perhaps, in response to their cooperation in the war on terrorism with concerns that I think everyone on the committee shares about the lack of progress in a number of those former Soviet Republics on political reforms and economic reforms and human rights.

Secretary POWELL. We do not tradeoff. I meet with them on a regular basis, their Prime Ministers and Presidents and Foreign Ministers who come here, and during my visits there, and I welcome their support in the global war against terrorism, but in the very same breath, or the next breath, I make it clear to them that we are still expecting to see political reform, transparency in their system, the end of corruption, representative government, free media.

All of the same standards are in place, and frankly, because they are working with us in the global war against terrorism, and we have created a new relationships with them, it gives us, I believe, more leverage to press them on these issues.

We do not set aside human rights. We do not set aside any of the other items you talked about.

Senator SUNUNU. Will the incentives of the Millennium Challenge Account be used to encourage reform in any of these countries, or is the account really reserved to developing nations in Africa or other parts of the world?

Secretary POWELL. We think the first priority with respect to the MCA will be in Africa and parts of our own hemisphere. That does not mean that they are not possible candidates, but they have got to have the basic requirements in place that we have spoken about: a commitment to democracy; transparency; the end of corruption; a rule of law; and all of the things that the President intends for the Millennium Challenge Account.

There are other forms of foreign assistance and military assistance that we can use with those countries. Even then, we think some basic standards have to be met. It is not like the days of the cold war, when, because of superpower conflict and the need for a particular country to be on our side and not the Soviet side. We were willing to overlook things that, frankly, we should not have overlooked.

Senator SUNUNU. Have any of the proposed MCA funds been allocated, \$1.3 billion? Have any of them been allocated in other countries spoken about by Senator Feingold, Mozambique, Kenya, Somalia? Are they eligible for the funds through MCA, if there are appropriate reforms?

Secretary POWELL. Good question. We are still putting in place the criteria for MCA grants, or funding, and no country has yet been selected.

Senator SUNUNU. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Sununu.

Mr. Secretary, yesterday you mentioned seeing 13 members of the Security Council one-on-one. Today, you have met 15 Senators one-on-one, and you have been complete in your responses.

Secretary POWELL. Do not ask me which was easier, please.

The CHAIRMAN Let me ask that the record remain open until the close of business Friday for additional questions, and I would request of you, Secretary Powell, that you respond to those questions that might be asked by members who could not attend, or those who have thought of other questions even in the course of this dialog. We thank you very much.

Senator DODD. Mr. Chairman, can I just, before he leaves, we should note, by the way, the presence of your staff behind you, by

the way. You do a great job. You are wonderful people, and we have worked with many of these people over the years, and I would not want the hearing to end without expressing our gratitude for the people who do not testify here, but work every single day to communicate with those of us up here. We are very grateful.

Secretary POWELL. Thank you. I am very proud of them. Thank you, Senator Dodd.

The CHAIRMAN. Thank you. The committee is adjourned.

[Whereupon, at 12:25 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

RESPONSES OF HON. COLIN L. POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR RICHARD G. LUGAR

OVERALL SPENDING

Question 1. We are now spending for diplomacy less than 8 cents for every dollar we are spending on defense. Mr. Secretary, you have been a soldier and a diplomat. Would you say that ratio is about right?

Answer. I don't think it's appropriate to compare international affairs funding with defense funding, or international affairs with Social Security or any other function. I know it can stand on its own merit.

Question 2. Do you think the foreign affairs budget adequately reflects the times? The embassy bombings in August 1998, the September 11 attacks, and the war on terrorism all have budget implications for the Department. The security of Americans working in all our embassies must be a top priority. Also, every embassy, especially those in frontline states, now has a new mission to fulfill in the war on terrorism. We also have growing anti-Americanism abroad, especially in the Islamic communities across the world. But the overall budget hasn't changed much, especially if you subtract the MCA funding. What are we shortchanging in order to perform the important new missions of this century?

Answer. Only about one percent of our federal budget is allocated to international affairs. I would like to see us allocate a lot more, because the needs around the world are great.

I'm pleased that President Bush has been able to increase international affairs funding every year that he has submitted a budget. He has taken a dramatic step with the Millennium Challenge Account, which represents a 50 percent increase in our development assistance. His HIV/AIDS Global Initiative is another significant increase.

Yet I recognize that the President has to shape his budget in accordance with a large number of priorities and with the resources available, and the Congress has to do the same. I support the President's request and hope that you will fully fund it.

Question 3. Will you be seeking additional funds in a supplemental in FY 2003?

Answer. Yes. If a peaceful solution through diplomatic efforts is not attainable and conflict is necessary, there will be a need for supplemental funds—not only for the State Department, but for many other departments as well.

WAR ON TERRORISM

Question 1. It has been 17 months since September 11th and the Department has had a great deal of experience now as the coordinator of our civilian counterterrorism effort overseas. Can you tell us how the effort is proceeding? What obstacles have you run up against? How have those obstacles been overcome?

Answer. Since September 11, our civilian counterterrorism effort continues to build and sustain coalition commitment, cooperation and capacity to support the war on terrorism. Nevertheless, the terrorism threat continues at a high level, reflected in attacks from Bali to Tunisia to Mombassa, and oil tankers off the coast of Yemen. Notwithstanding, our extensive counterterrorism efforts in all regions are producing encouraging results.

Al-Qaida has been expelled from Afghanistan and its terrorist training infrastructure there destroyed. More than one-third of al-Qaida's top leadership has been killed or captured, including some who conspired in the 9/11 attacks, the 2000 attack on the USS *Cole*, and the 1998 bombings of two U.S. embassies in East Africa.

The remnants of Al-Qaida and its allies however remain a threat. Other terrorist organizations, such as the FARC, ETA, the real IRA and many Palestinian rejectionist groups, also threaten our citizens, our interests, and our allies around the world. As terrorist cells become more diffuse, often operating independently and with tight secrecy, we still face major challenges in obtaining timely intelligence. Libya, Sudan, Iran, Iraq, North Korea, Cuba and Syria are still state sponsors of terrorism. Some countries have been slow to direct their resources to detecting and preventing terrorist attacks. And many countries that have the will to counter terrorism do not have the necessary resources and capacity. Our diplomacy and programs aim to change these conditions.

Our diplomacy and programs put a major focus on countering terrorism finances. An important tool is our designation of Foreign Terrorist Organizations (FTO's). Currently, 36 groups are designated. FTO designation carries several legal consequences including criminal penalties for American persons who knowingly provide material support or resources to designated FTO's. Meanwhile, more than 250 terrorist individuals and entities already have been designated under Executive Order 13324 on terrorist financing. We work closely with The Financial Action Task Force (FATF)—a 31-nation group promoting policies to combat money laundering—to deny terrorists access to the world financial system. And we provide training assistance to individual countries to help them strengthen their ability to curb terrorist money flows.

We also are trying to overcome resource shortages and other obstacles within the U.S. government. Steps are being taken to better share intelligence information with the FBI, CIA and other agencies. State is playing a role in the creation of the Terrorist Threat Intelligence Center (TTIC). At the same time, there also are budget and resource issues. Delays in enacting the appropriations bills have complicated implementation of some of our counterterrorism programs. Quickly responding to unexpected developments, such as the requirement to provide protective details for the President of Afghanistan, requires moving funds from other security-related needs. Cuts in the Department's budgets over the years have pinched not only programs but the efforts to adequately staff embassies and bureaus to counter the terrorism threat. We want to work closely with Congress to alleviate these types of difficulties.

Question 2. In Pakistan, after September 11, some 3,000 U.S. officials on temporary duty (TDY) descended on the embassy to help track down Al-Qaeda terrorists. They included State's own diplomatic security personnel, FBI officers, special forces and intelligence agents. Embassy staff was reportedly stretched thin with only 4 political officers and 2 economic officers to support the influx. What is the Department's current ability to provide "surge capacity" in times of need? Would it be useful for the Department to develop mobile sections in such areas as communications, consular activities and administrative and political support?

Answer. Our Diplomatic Readiness Initiative (DRI) was designed to provide us adequate personnel to respond to crises and emerging priorities. We do currently maintain "surge" teams for security, consular, administrative/management, and terrorism response assistance. Typically, we provide additional capacity to the Embassy's political or other sections by pulling experienced people from other places and applying them to that priority situation. Because we had underhired compared with our expanding mission in the 1990s, those responding to a crisis usually left important work unattended. With full implementation of the Diplomatic Readiness Initiative in FY2004, we will have built a stronger capacity to respond to these events and will be on our way to planning for crises rather than just responding to them.

Question 3. What other kinds of strains has the enhanced counter terrorism mission placed on embassy resources and personnel? Do you believe that the embassies have been provided resources adequate to the task? What would be necessary to do a better job?

Answer. The counter terrorism mission of the Department is growing and is another example of the increasingly complex and challenging international environment in which we operate. As our mission grows we will continue to assess what is needed to meet it and will request resources needed to meet them. Because the Diplomatic Readiness Initiative (DRI) was conceived of in 2001, we have found it necessary to revise our implementation plans in the wake of September 11 so that we can meet new priorities. For example, we have experienced falling revenues from

Machine Readable Visa fees and therefore had to provide for the increased consular workload requirement out of our DRI funded positions. We have also had to staff Embassy Kabul.

Question 4. Have you been able to develop an institutional sense of “lessons learned?” In other words, have there been successes in, for example, the law enforcement to law enforcement area in one country that can be replicated using similar techniques in another country?

Answer. We have been promoting the sharing of experiences and “lessons learned” through a variety of fora. For example, working with other countries in the G-8, we helped develop a compilation of best practices in dealing with counter terrorism issues. These included both general and specific recommendations, including a discussion of successful practices for dealing with hostage taking and weapons of mass destruction. We shared the final document, An Inventory of G8 Counter-terrorism and Transnational Crime Best Practices, December 2002, with the United Nations Counterterrorism Committee, the lead institution for helping countries implement UNSCR 1373.

The Office of the Coordinator for Counterterrorism (S/CT) has hosted regional conferences in which countries shared their experiences fighting terrorism. For example, last year we brought together Pacific Basin countries in Honolulu and Central Asian countries in Ankara.

In the Western Hemisphere, as the U.S. Chair of the OAS Inter-American Committee Against Terrorism (CICTE), S/CT worked with the U.S. Mission to the OAS and other USG agencies to launch this organization as the Hemispheric focal point for promoting and coordinating CT information sharing, capacity building and technical assistance, especially in the areas of border security and anti-terrorist finance regimes. The CICTE 2003 work plan calls for regular dissemination of “lessons learned” to all member states. The organization will be featured as a model for other regional organizations to consider at a Special Meeting on March 6 of the U.N. Committee on Counterterrorism (CTC).

We have held seminars for 36 countries, organized on a regional basis, to help other countries strengthen their counterterrorism legislation. The seminars included not only discussions of CT law, but also case studies of key investigations with the intention of sharing law enforcement techniques. Participating countries and outside speakers from Australia, Canada, the United Kingdom and Germany also shared useful experiences from their legal and law enforcement perspectives.

On a bilateral level, we annually hold a series of meetings with individual countries, including India and Russia as well as other partners such as the U.K. and Canada in which we share CT experiences. We also provide training through inter-agency teams to share techniques for countering terrorism financing. Our Anti-Terrorism Assistance (ATA) programs share our experiences and knowledge with law enforcement officials of other countries.

Question 5. Are there unique characteristics to working on counterterrorism issues in Islamic countries? How do we get our law enforcement and financial experts trained so that they can be effective in an Islamic culture?

Answer. Like all foreign cultures, Islamic countries present unique and varied operational challenges to American officials. In all foreign countries, not solely in the Islamic world, we must continue to provide our diplomats and overseas law enforcement and financial officials with necessary language and cross-cultural skills to effectively navigate in these foreign environments. Further, we must continue to develop the skills particular to area experts who understand the governmental, financial and security systems of Islamic countries.

The National Foreign Affairs Training Center (NFATCE) plays a major role in Counterterrorism training, and the Bureaus of Near Eastern Affairs (NEA), Consular Affairs (CA), Diplomatic Security (DS) and the Office of the Coordinator for Counterterrorism (S/CT) are all contributing to its efforts.

Question 6. Who is providing the translation for this effort [counter terrorism] when it is necessary? Is it the Foreign Service officers or do we hire local translators? Do you think that more local language proficiency among Foreign Service officers would help our anti-terrorism effort overseas? What is being done to enhance recruitment of language-capable officers?

Answer. The Department strives to ensure that employees have the language skills needed to do their jobs. We consider language a critical skill and assess overseas positions yearly to determine which should require language skills. Employees who are assigned to those positions must have or be able to acquire that language skill level before going to post. While some waivers are given, in FY2002 in 88 per-

cent of the language designated positions which were filled, we were able to assign a language qualified person.

Strong language skills are an important element in enabling our diplomats to deal effectively with important issue such as counter-terrorism. While we do not require language skills for employment, we have an active foreign language recruitment program to identify and recruit Americans with existing foreign language skills. We rely on training employees in languages as they are needed in order to be able to flexibly respond to changing needs. The new hiring due to the Diplomatic Readiness Initiative is ensuring that all new employees receive more language training before they assume their first overseas assignments.

Question 7. Each embassy is in a unique situation in its role on terrorism. How would you react to a request to the GAO for a report on ten countries on the front-line. We would ask that the report outline the tools they have available to them, including economic and development assistance, and their effort in coordinating counterterrorism and facility security. We would want to know whether the ambassador feels he/she has the resources necessary to do the right job.

Answer. I recognize the useful role that the GAO can play for Congress and have no objections to such a study. We would hope, of course, that the teams do not divert too much time from each embassy's ongoing activities. We would like to coordinate in advance to ensure that whichever countries are selected can indeed host the GAO team, based on their current security posture and position. One way for GAO to streamline the study might be through the use of a questionnaire provided to selected posts.

NONPROLIFERATION AND ANTI-TERRORISM (NADR) FUNDING

Question 1. Is the 14% increase in funding for the International Science Centers and Bio-Chem Redirection sufficient? If you had gotten an extra \$30 or \$40 million, rather than only \$7 million, could that money have been used on valuable projects?

Answer. In the context of overall budget priorities, the Department of State's FY 2004 request for \$59 million for the Science Centers in Moscow and Kiev and the Bio-Chem Redirection program is adequate. Moreover, these programs are part of a broad, coordinated interagency effort to prevent proliferation of WMD expertise, including the Department of Defense Cooperative Threat Reduction (CTR)/BW Proliferation Prevention program and the Department of Energy Russian Transition Initiatives. This year, and in the future, the Science Centers and Bio/Chem Redirection Program will increase its emphasis on moving more scientists into self-supporting civilian commercial endeavors by creating more opportunities for them to develop and compete for other sources of public and private funding. But this increased emphasis on redirection, while at the same time continuing our outreach to former weapon scientists and institutes, will require sustained financial support of the Science Centers and Bio-Chem Redirection programs in the near term.

Question 2. Has State developed a strategy to guide scientists into commercially viable pursuits so that some can "graduate," freeing up funding for others?

Answer. The Department of State is currently in the second phase of a strategy designed to permanently redirect former WMD scientists into sustainable civilian pursuits.

Under the first phase, the objective was to identify and engage former WMD scientists and engineers through the International Science and Technology Center (ISTC) in Moscow, the Science and Technology Center in Ukraine (STCU), and the Bio Redirection programs carried out by the Departments of Agriculture and Health and Human Services, and the Environmental Protection Agency. This first phase successfully engaged tens of thousands of scientists and engineers in civilian projects. The Bio/Chem Redirection Program was developed to focus time-urgent engagement and redirection efforts through the Science Centers on former BW scientists and institutes that have been of particularly high proliferation concern, as well as an expanded focus former chemical weapon scientists and institutes.

The second phase, which began in 2002, aims at accelerating the transition of former WMD scientists and institutes to peaceful endeavors, including civilian research and commercially viable private sector enterprises. Several steps are being taken to meet this goal, including reorganizing and refocusing the ISTC and STCU to improve their programmatic ability to redirect scientists and institutes, and assisting biological and chemical weapon scientists to develop feasible avenues toward self-sustainability plans through the Bio-Chem Redirection program and the Bio-Industry Initiative. The BioIndustry Initiative, started in FY 2002 at the direction of Congress with a one-time \$30 million transfer from the Department of Defense/Cooperative Threat Reduction appropriations, has been developing models for grad-

uating selected BW scientists and bioproduction facilities into more economically viable and self-supporting entities, such as accelerated drug and vaccine production. These initiatives will leverage work being done by other USG nonproliferation/threat reduction programs, as well as with other bilateral and multilateral economic and technical assistance efforts.

Question 3. This request zeroes out funding for KEDO, including administrative funding. If there were to be an agreement with North Korea, however, isn't it likely that the KEDO mechanism would be used again? Why is there not at least the administrative funding for KEDO in this budget, as there is in the omnibus FY 2003 appropriation? Are there any funds in the FY 2004 budget to cover the costs that might accrue in some "better than the Agreed Framework" settlement with North Korea?

Answer. Congress appropriated up to \$5 million for KEDO in FY03, provided the President determine that such a contribution is vital to the national security interests of the U.S. Preserving our ability to contribute to KEDO provides us flexibility to work with our allies to achieve our shared non-proliferation goals. The U.S. is consulting with the other members of KEDO's Executive Board (South Korea, Japan, and the EU) about the future of the organization, including the future of the light water reactor project. We are not prejudging any decisions in this regard. We will keep in close touch with Congress as we proceed.

We do not know now what role, if any, KEDO will play next year, so the Administration did not request FY04 funding for KEDO. If we find it is in our interest to fund KEDO's administrative or other costs, we will request as necessary. We are working closely with our KEDO partners and continuing to consult on KEDO's future activities and financial commitments.

Question 4. Anti-Terrorism Assistance (ATA) seems to be on a funding roller coaster. Actual FY 2002 expenditures were \$158 million; the FY 2003 request was only \$64 million; and the FY 2004 request is for \$106 million. Is there an explanation for the fluctuations? What spending level are you aiming for over time, and when will we get there?

Answer. The ATA program's FY 2003 request for \$64 million was submitted prior to September 11, 2001. The \$158 million received in FY 2002 included the baseline FY 2002 budget and two supplemental allocations provided after September 11. The State Department, knowing the FY 2002 and FY 2003 baseline budgets would not cover post-9/11 needs, included requests in both supplementals to meet expected ATA growth through FY 2003.

The FY 2004 request is the Department's best estimate of what ATA will need to sustain its expanded activities and meet its capacity-building mandate. Assuming no significant counterterrorism crises, and without an increase in human and other capital resources for ATA, the Department anticipates ATA will operate in the \$100-150 million range per annum over the next few years.

Question 5. There is a lot of talk about doing more to guard against radiological terrorism, and the IAEA will play a major role in that effort. The Security Assistance Act enacted last year calls for an effort to increase the regular IAEA budget, in part for this purpose, and the Administration supported that provision. But the U.S. voluntary contribution to the IAEA in the NADR account holds steady at \$50 million, and the request for our regular budget contribution actually goes down from \$57 million this year to \$54 million in FY 2004. Is the United States failing to put its money where our mouth is? Do we expect the value of the dollar to rise sharply, thus decreasing the cost of our budget assessments? Is significant extra IAEA funding contained in the Department of Energy budget?

Answer. Recent events highlight the critical role the IAEA plays in international efforts to prevent the proliferation of nuclear weapons. Director General ElBaradei has proposed, and the United States supports, an increase in the IAEA's regular budget for safeguards—inspections and related activities. The IAEA's treaty-driven safeguards mandates have grown in every respect, from the expanding number of countries and nuclear facilities subject to inspections to the new safeguards measures developed in the 1990s to strengthen its ability to detect undeclared nuclear activities.

The United States gives high priority to the IAEA budget and pays its assessed share in full. We expect the assessed budget to increase in 2004 and to pay our full assessment. The drop in our request from FY 2003 to FY 2004 is based solely on the changing assumptions about currency exchange rates. At present the value of the Euro is at historically high levels, and the FY 2004 request is based on the level which was in effect last April, when the budget was originally formulated.

U.S. voluntary contributions help meet urgent near-term needs and provide specialized expertise. However, in recent years the IAFA relied increasingly on voluntary contributions, mostly from our NADR account, to carry out its core safeguards responsibilities. An increase in the regular budget should reduce this reliance and enable us to use available NADR funds to support other important priorities, for example in nuclear safety and security.

The Department of Energy does not contribute to the regular budget of the IAEA, but has provided extrabudgetary support to the IAEA, including its efforts to combat radiological terrorism. I will leave it to Secretary Abraham to provide any further detail you may need.

PERSONNEL

Question 1. Should the Diplomatic Readiness Initiative now be expanded?

Answer. The DRI is a good start. If fully implemented, the 1158 new employees will fill our most critical gaps in our workforce. Because the Diplomatic Readiness Initiative (DRI) was conceived of in 2001, we have found it necessary to revise our implementation plans in the wake of September 11 so that we can meet new priorities. For example, we have experienced falling revenues from Machine Readable Visa fees and therefore had to provide for the increased consular workload requirement out of our DRI funded positions. We have also had to staff Embassy Kabul. This may require additional resources as we review our situation.

We believe that diplomatic readiness must be maintained by continually assessing our requirements. Our workforce planning tools are being updated and additional tools applied to assess our needs more effectively. As our frontline mission in counter terrorism and other areas expands and changes we will work to meet those missions and will request needed resources.

But the Diplomatic Readiness Initiative is not only about hiring. We must also ensure that our people are taken care of. This means providing better buildings, information technology, schools, and medical care. It means having family-friendly policies and programs to enable spousal employment. It means providing incentives for hardship service and working to solve the problem of a 12 percent and growing pay gap between domestic and overseas positions due to locality pay. And it means providing training especially for managers. We will need support to provide for these so that our employees are better able to do their jobs.

Question 2. Is the Department successful in achieving its diversity goals?

Answer. The Department is making huge strides in reaching out to minorities interested in serving their country on the State Department team. For example, the total number of minority registrants for the three foreign service written exams offered since the Diplomatic Readiness Initiative was launched in 2001 is greater than the corresponding total for 10 exams preceding its launch (1988-2000). As a result, the number of minorities hired as FSOs in 2002 was more than double the number for 2001.

However, given the lead time required to recruit, clear, and hire a new foreign service officer, it would be premature to say that the DRI has been fully successful in achieving our diversity goals. Therefore, the Department is continuing its intensive effort—begun as part of the overall Diplomatic Readiness Initiative—to encourage minority interest in State Department careers. We are hopeful that these efforts will soon translate into further increases in minority employment at the State Department.

Question 3. A 2002 GAO report found that significant staffing shortfalls plague diplomatic posts that are considered hardship locations. China, Saudi Arabia and Ukraine, all visited by the GAO, were found to have staffing gaps. In addition, in these countries, many employees including new or untenured junior officers were either working well above their grade levels or did not meet the minimum language requirements. What can be done to get these posts fully staffed as soon as possible?

Answer. The most critical need is to have adequate overall staffing in the Department so that we have enough employees to staff all positions as well as enough of a “personnel complement” to allow some employees to be released for appropriate training while not leaving jobs unfilled. Fully implementing the Diplomatic Readiness Initiative is a priority.

Staffing hardship posts is a high priority for Department management. In addition, we have begun to implement many initiatives and policy changes resulting from a series of hardship staffing working groups. Our aim is to make hardship service less “hard” and to provide incentives for service in such posts. Many initiatives we can implement now while some may require legislative changes or additional funding.

Question 4. Foreign Service generalists are the diplomats who negotiate with foreign governments, make the contacts necessary for our antiterrorism experts to succeed, and work face-to-face with officials and the public. What would be your reaction to a provision in our legislation that authorizes you to bring the number of Foreign Service generalists to 10,000 over a certain period of time? (There are now 5,703 Foreign Service generalists. If USIA employees who joined the Department in October 1999 when USIA merged into State are subtracted, the total is 4,880. Even with the diplomatic readiness initiative, that is only a modest increase over the 1986 figure of 4,630.)

Answer. We appreciate the interest in ensuring diplomatic readiness. We need to attain full funding for the FY 2004 final tranche of the Diplomatic Readiness Initiative. We may indeed require further increases in personnel to meet our mission and we are continually assessing those needs as we implement our Domestic Staffing Model, continue to refine our Overseas Staffing Model and make great strides in the Department's strategic planning and budgeting process.

VISAS

Background: Two recent reports, one from the GAO and the other from the State Department's Inspector General, highlighted staffing inadequacies that are clearly affecting our ability to make good decisions quickly in the visa issuance process. Increased language and other training for consular officers issuing non-immigrant visas (NIV), better access to intelligence, and improved technology are crucial to the Department's future effectiveness in this area. Protecting the country from those who wish to do us harm must be at the top of the Department's agenda. Providing the kind of access that our own citizens expect to enjoy abroad to the tens of thousands of well-meaning foreign businessmen, students, and tourists is also a high priority.

Question 1. Can you describe the changes that have been made in the consular area since September 11, 2001, that are intended to heighten the caution with which we grant entry to the United States?

Answer. I testified last July before the House of Representatives on the Homeland Security bill, stating that our first line of defense in protecting ourselves from those who would come to our shores are our diplomats at our consulates and other locations around the world, where we issue visas to people to come to America. The Department has no greater responsibility than that of securing our nation's borders through vigilance in the visa function and there is no area to which we have devoted greater attention, thought, and resources. The Department of Homeland Security is now a reality, and, since passage of the bill marking its creation, the Department of State has been focused on integrating the visa work done abroad by State consular officers with DHS' statutory authority over visa policy and regulations. We have made substantial progress in forging this relationship, one that is critical to our effort to ensure that no one who means harm to the United States is able to use the visa process to hurt us.

For its part, the Department of State has made sweeping changes to the visa and passport processes and entry screening requirements during the months since September 11, 2001. The steps outlined below are just some of our efforts to improve the security of U.S. borders, which also include our ongoing participation in inter-agency efforts to implement the provisions of the USA Patriot Act and Enhanced Border Security Act, the National Security Entry Exit Registration System (NSEERS), and the formation of the new Department of Homeland Security.

Improvements Made in Visa and Passport Processing

Document Integrity

- In March, 2002, pilot tested the new, tamper-resistant Lincoln visa with world-wide deployment to be completed by May, 2003.
- Converted all domestic passport agencies to issue the new, more secure photo-digitized and tamper-resistant U.S. passport.
- Shifted production of all "non-emergency" overseas passports from posts abroad to the U.S. to take advantage of photo-digitization technology. Began testing electronic transfer of passport data between posts and a domestic passport center. This new process will eliminate the need to send paper applications to a domestic passport center for passport book production. The pilot is progressing satisfactorily. We expect to implement this new process at all posts by the end of 2003.

- Implemented the Passport Lookout Tracking System (PLOTS), containing roughly 150,000 fraud files, which can be reviewed system-wide to prevent issuance of fraudulent U.S. passports.
- Developed and deployed a unique, secure ink for canceling machine-readable visas to deter “visa washing,” the practice of treating an issued visa with chemical solvents in order to remove the toner and thus use the visa foil for fraudulent purposes. The new ink fully permeates the visa to prevent fraudulent use.
- Deployed the Consular Lost and Stolen Passport (CLASP) lookout system to all overseas posts, serving as the central repository for information regarding lost or stolen U.S. passports. Data entered into CLASP is also automatically forwarded to the U.S. Customs Service’s Treasury Enforcement Communication System (TECS) to assist in the apprehension of imposters using lost and stolen passports at the ports of entry.
- Created a network connection for electronic access to digital images of passport records to all passport agencies, consular posts, and authorized CA Headquarters personnel. The information contained in the system is used to provide information needed for verifying passport issuance in cases of lost/stolen passport replacement, avoiding questionable passport issuance and verifying citizenship verification.

Application Processing

- Added more security checks for certain groups of visa applicants from certain countries.
- Provided access to the Consular Consolidated Database (CCD) for all consular officers worldwide as well as to INS inspectors at port of entry, U.S. Customs personnel and other entities.
- Expanded intranet resources for consular adjudicators and Diplomatic Security investigators to assist them in reading and verifying entry/exit cachets in Arabic or Persian script.

Namechecks

- Incorporated approximately 8 million records from the FBI’s National Crime Information Center (NCIC) into our Consular Lookout and Support System (CLASS) namecheck database. This more than doubles the records on file.
- Received into CLASS a significant increase in namecheck records from the intelligence community (through TIPOFF—the State Department’s clearinghouse for sensitive intelligence and watch-list entries). (TIPOFF has processed approximately 31,000 new entries since October 2001 bringing the total to over 78,000 terrorist lookouts).
- Started automated cross checking of new derogatory information concerning terrorists or suspected terrorists (including TIPOFF entries) against CCD records of previously issued visas. When there is a match, the visa is revoked and INS notified.
- Placed the U.S. Marshals database (WIN) of 20,000 individuals not entitled to passports because they are subject to outstanding federal warrants of arrest into the passport side of CLASS in November 2002.
- In January 2003, began pilot test in Mexico of the new Hispanic algorithm which we believe will greatly increase the accuracy of namecheck returns for Hispanic names.
- Completed East Asian algorithm linguistic study as the first step in the process of developing language- and culture-specific algorithms to better support namechecks in CLASS for East Asian names.
- Prepared Backup Namecheck System (BNC) using Real-Time Update (RTU) for deployment beginning early 2003. This is a backup namecheck system designed to support visa operations in the increasingly rare event of telecommunications failures. With the combination of BNC and RTU, the CLASS visa database is replicated on a near-realtime basis to PC-based backup systems at each consular post worldwide.
- Upgraded the Travel Document Issuance System—Photodig (TDIS-PD) to include the Consular Lost and Stolen Passport (CLASP) database and a new Social Security matrix. The CLASP database includes all reported lost and stolen U.S. passports, while the Social Security matrix determines the State and issuance date for a Social Security number which is then compared to the State and date of birth provided by an applicant, helping passport personnel to flag questionable cases for further analysis.

Enhanced Data Collection

- Included 25 additional data elements in the automated NIV processing system (NIV 4.01) to be in worldwide use in early 2003. Most of these data elements

were added at the request of the law enforcement and intelligence communities and will greatly enhance our ability to share meaningful case information electronically.

- Created new forms—the DS-157 (November 2001) and DS-158 (July, 2002)—to expand data requested of targeted cases and revised DS-156 to expand data collection, again to increase the amount of information available to the larger border security community.
- Provided all posts with software and scanners to support scanning of supporting evidence for serious refusals. By adding images of these documents to the consular database, refusal details will be more widely available to inspectors at ports of entry and others in the border security community.
- Electronically capture photos for all refused NIV applicants, expanding the database of photos as a resource for anti-fraud and border security work.
- Revised photo standards for NIV applicants to improve quality of data for facial recognition and other purposes. As these higher quality photos are added to the consular database for every visa applicant (whether issued or refused), the USG steadily gains photos for identification to aid with visa adjudication and national security tasks.

Expanded Information Sharing

- Expanded Consolidated Consular Database (CCD) access to all U.S. ports of entry and other U.S. government agencies.
- Piloted data-share with the Social Security Administration to facilitate the issuance of Social Security number cards to new legal immigrants.
- Serious visa refusal files for posts in high intelligence threat regions or those with space problems are stored at the Kentucky Consular Center (KCC). These are refusals dealing with “Category 1” grounds of ineligibility, having to do with terrorism, criminal, national security and other serious grounds of visa refusal under U.S. law. KCC has begun back-scanning, in order to make these files available to all users of the Consular Consolidated Database (CCD).
- Expanded distribution of the Department of State’s electronic Intelligence Alerts on lost/stolen blank documents, making them available to more than 700 addresses in federal, state, and local agencies and to foreign governments.
- Began automatically forwarding data from the Consular Lost and Stolen Passport (CLASP) system to the U.S. Customs Service’s Treasury Enforcement Communication System (TECS) for use at ports of entry.
- Began back-scanning previously issued U.S. passport applications which will make the data available back to 1994. Approximately 8 million records have been scanned. Once this project is completed, passport records including photographs will be available for all currently valid passports.

Internal Controls

- Restricted Foreign Service National (FSN) employee access to namechecks.
- Removed FSN ability to request namechecks outside of an actual visa application. This change was made worldwide through the deployment of a new tool for use in conducting ad hoc namecheck queries by American personnel only.
- As a pilot, removed FSN access to all namecheck information in the NIV system at six pilot posts in August, 2002.
- Worldwide restrictions to begin in March 2003.
- Announced changes to the role of Consular Associates, cleared American citizens used in consular work overseas. This involves a fundamental realignment of American consular resources overseas so that visa adjudication is restricted to commissioned Foreign Service officers while other sensitive consular activities are given to cleared American personnel in lieu of Foreign Service Nationals.
- Visa Referral system reviewed and post/consular managers reminded of controls needed. Form revised and made mandatory.
- New management tools to monitor user accounts on consular automated systems.
- Mandated a special worldwide review of management controls.
- Implemented Consular Management Assistance Teams, which visit posts to review management controls and procedures, and expanded the management assessment review program at passport agencies.
- Began the process of formalizing and disseminating Standard Operating Procedures for visa processing.
- Are establishing with Diplomatic Security a vulnerability assessment unit within CA to examine fraud trends and identify issues for further investigation.

Fraud Prevention Efforts

- Establishing anti-fraud units at the National Visa Center in Portsmouth, New Hampshire (NVC) and the Kentucky Consular Center (KCC). First goal is data validation/fraud screening for employment-based cases using automated search tools to query a wide variety of commercial and government databases concerning company backgrounds. Recruitment of Fraud Program Manager position for NVC is underway. After experience gained program will be expanded to KCC.
- Based on success in identifying imposters and duplicate entries with the Diversity Visa lottery (DV) program, anti-fraud efforts using Facial Recognition are being expanded to 13 other NIV applicant pools on a pilot basis. These countries were chosen due to a combination of security and fraud management concerns.
- Commenced pilot program with Virginia DMV to share information on fraudulent foreign documents submitted in support of drivers license applications.
- Implemented program with SSA to train SSA investigators on the detection of fraudulent foreign documents, and to increase information sharing between SSA investigators and passport agencies.
- Initiated work with a contract consultant to design approaches for mining data in the Consular Consolidated Database to provide additional anti-fraud and management oversight information.

Guidance/Training

- As part of the effort noted above to prepare and disseminate standard operating procedures for consular work, working to revise all training materials to incorporate this guidance.
- Initiated an Advanced Namechecking course at the Foreign Service Institute.
- Made changes to the basic consular training course to add additional material on fraud, ethics and terrorism in addition to new material on interviewing techniques.

Security Improvements

- Participated in the drafting of an Entry-Exit Project Charter (National Security Entry Exit Registration System, NSEERS), working jointly with INS, Customs, and DOT, which sets the parameters for an automated system to record the arrivals, departures, and stay activities of individuals coming to and leaving the U.S.
- Have proposed the elimination of crew list visas (proposed regulation has been published for public comment). This is important because travelers on crew list visas do not require individual passports and visas, so the elimination of this visa class will provide for more thoroughly documented and reviewed travelers.
- Are now requiring visas for landed immigrants (from non-Visa Waiver Program countries) in Canada and Bermuda. This change was made in order to ensure that all travelers to the U.S. are subject to appropriate levels of scrutiny in the visa process independent of their current country of residence.
- Have amended regulations to prevent automatic revalidation of visas for NIV applicants with expired visas and a valid I-94 who apply in Canada or Mexico and for all nationals of "state sponsors of terrorism" regardless of whether they apply for a visa.
- Have reiterated standing guidance on interview requirements for applicants subject to security advisory opinion requirements.
- Are working closely with INS field and service center operations to support their increased use of DOS lookout data available in the Interagency Border Inspection System (IBIS) for benefits processing.

Question 2. Can you share with the committee how your budget request addresses the needs outlined by GAO and the OIG for the Consular Affairs bureau?

Answer. The Department's FY 2004 budget includes \$616.821 million to fund the Border Security Program. This program funds virtually all consular operations worldwide. The program addresses many of the issues raised in the reports from the General Accounting Office and the State Department's Inspector General. For example, consular staffing needs are addressed through the funding of the salaries of approximately 2,400 full time domestic and overseas consular personnel and support staff. The program provides all consular staff with modernized consular systems. Hardware and software is replaced on a routine basis, while systems training of new consular hires and refresher training for existing personnel follows an 18 month training schedule. The Consular Lookout and Support System (CLASS), which is a database of over 15 million names, allows consular officers immediate access to information needed for visa and passport adjudication. This information is also shared

with other government agencies involved in homeland security. The Border Security program also provides specialized consular training on all aspects of consular work through the Department's Foreign Service Institute.

Question 3. Could you describe the role that you expect the Department of Homeland Security to play in our embassies overseas?

Answer. Discussions are still underway between the Department of State and the Department of Homeland Security (DHS) concerning the role of DHS personnel in our embassies overseas. From January 16-24, a DHS assessment team accompanied by a DOS officer traveled to Saudi Arabia to address specifically the requirement of section 428(I) of the Homeland Security Act regarding the mandatory DHS review of visa applications in Saudi Arabia. The team's report is under review within DHS. The Department of State stands ready to help DHS personnel take up overseas duties that would enhance our ability to ensure that visas are not issued to terrorists or others who would harm us.

Question 4. How successful are consular officers in gaining access to the intelligence information they need to make decisions? Do they have the benefit of both CIA and FBI input? What would be your reaction if the Committee wrote into the bill language stating that consular officers should have immediate access to U.S. government information on individuals and groups who wish harm to U.S. citizens in order to better inform their decisions on visa adjudication?

Answer. Significant progress has been made in the past year to increase the amount of information available to visa officers overseas and, conversely, to INS and other law enforcement and intelligence agencies in the United States. The State Department's Consular Lookout and Support System (CLASS), a comprehensive database which integrates information from State, FBI, INS, DEA and intelligence sources, is a principal example of this progress. The Department has been able to leverage the provisions of the Enhanced Border Security Act and USA Patriot Act to make CLASS an ever-stronger tool in our efforts to protect our national security. CLASS uses sophisticated search algorithms to match lookout information to individual visa applicants. Every single visa applicant is run through CLASS, and, in fact, our automated processing systems will not print a visa until the consular officer has checked and resolved "hits" of the applicant's biodata against the lookout system data. CLASS is only as good, however, as the data that it contains. Since 9/11 this situation has improved dramatically.

CLASS records have doubled since September 11. Per USA Patriot Act mandate, approximately eight million names of persons with FBI records were added to the CLASS database by August 2002, augmenting 5.8 million name records from State, INS, DEA, and intelligence sources. These NCIC records include the FBI's Violent Gang and Terrorist Organization File, a particularly valuable resource. When a visa applicant "hits" against NCIC records in CLASS, consular sections can obtain fingerprints to pass to the FBI for purposes of obtaining a full criminal record if necessary. The fingerprints also help guard against any identification problems.

20,000 Customs serious violator name records have been added to CLASS since September 11, 2001. CLASS now has over 78,000 name records of suspected terrorists, up 40% in the past year. Most of this information has entered CLASS through TIPOFF, a program run through the Department's Bureau of Intelligence and Research that acts as a clearinghouse for sensitive intelligence information provided by other agencies throughout the U.S. government. The TIPOFF staff is able to review and evaluate information concerning suspected terrorists and pass sanitized index information to CLASS. Since September 11, 2001, approximately 31,000 new terrorist lookouts have been entered in the TIPOFF database.

As should be clear from the preceding discussion, consular officers in the field need immediate, comprehensive access to the index or watchlist information concerning persons of concern to the United States. We strongly believe that a robust and comprehensive watchlisting system such as that represented by the TIPOFF and CLASS databases is the key to effective screening of visa applicants. It would not be helpful to push more detailed intelligence into the hands of consular officers in the field, who are operating largely in an unclassified environment under conditions that do not allow detailed analysis. Rather, analysis and review should be completed in Washington, with watchlist details provided to TIPOFF and, through that mechanism, to CLASS.

Question 5. What is the current backlog in visa applications (both immigrant and non-immigrant) and what is the principal cause of that backlog?

Answer. Processing times for visas vary considerably among our embassies and consulates. For nonimmigrant visas, applicants at most posts are able to obtain appointments for interviews within two weeks from the date of the request. Once a

nonimmigrant visa application is submitted at the interview, processing for most cases is completed within 48 hours. At a few posts, the number of applicants seeking interviews is such that applicants must wait considerably longer to obtain an appointment.

The main reasons for a wait for an interview are staffing shortages, staffing gaps, or drawdowns of staff for security reasons. In some cases, an unanticipated increase in the number of applications may produce a backlog of applicants seeking interviews. In some countries, such as Colombia, dramatic increases in the number of persons seeking to apply for visas has been caused by changes in the local political and economic situation that increase out-migration pressure. Cutbacks in the hiring of Foreign Service officers in recent years have had a severe impact on our ability to keep nonimmigrant visa sections fully staffed. In recent months, we have significantly increased hiring of Foreign Service officers; an additional 90 junior officers have been hired in the past year to fill much needed consular officer positions worldwide. This increase in officer staffing will greatly assist in eliminating any current visa processing backlogs.

For immigrant visas, the goal of our embassies and consulates is to schedule appointments for immediate relative cases within 30 days of applicants' informing the consular section that they have all the required documents and are ready for interview. The consular section must also have received the case from the National Visa Center and have completed all required clearances. Preference category immigrant cases are generally scheduled within 60 days once applicants notify post that they are ready for interview and the post has obtained the required visa number from the Department and completed any necessary clearances.

ADDITIONAL FUNDING NEEDS

Question 1. Which regions might you anticipate a need for funding that are not in the current budget request?

Answer. We are closely following developments in conflicts around the world. Based on current assessments, our budget request includes the funding needs we anticipate for FY 2004.

Question 2. Are there emergency UN peacekeeping missions that might be in the offing? What do you see as the likelihood that we will need increased funding for the UN peacekeeping mission in the Democratic Republic of the Congo (MONUC) in FY 2004, particularly given logistical difficulties in the region, continuing instability, and dissent over the recent peace accord? What about Cote d'Ivoire? Are the French likely to want to turn over responsibilities to the UN if the peace holds?

Answer. We are closely following developments in conflicts in Burundi, Cote d'Ivoire and Sudan for the possibility of a new UN mission.

Both the Government of Burundi and the African Union (which just deployed an initial 36 observers to Burundi) have expressed desire for the UN to take over from the tri-nation (South Africa, Ethiopia, Mozambique) Mission which is to be sent under AU sponsorship. Since there is no comprehensive cease-fire or disarmament, neither we nor the UN believe that conditions are right for a UN peacekeeping mission. If those conditions are fulfilled, and if the parties were to show full commitment to a viable political process, the African parties would expect the Security Council to establish a UN Peacekeeping Mission. Burundi remains at risk for a resurgence of genocidal violence, and we need to work with our partners in Africa, Europe and the UN to avoid this.

The current ECOWAS mission in Cote d'Ivoire, supported by French troops, has UN Security Council support. There is no proposal on the table for a UN peacekeeping operation in Cote d'Ivoire, and we do not believe that one is necessary now. If, at some time in the future, there is a comprehensive ceasefire and a viable peace process in place, we would consider the establishment of a UN observer mission for Cote d'Ivoire. We expect the French will propose a UN Peacekeeping Mission for Cote d'Ivoire at some point in the future.

We are seeing mixed progress on peace in the Sudan. If and when there is a firm peace agreement, there may be a role for the UN, but it is too soon to speculate what that role might be.

The UN is in the process of implementing the expansion of MONUC authorized in December. We have requested sufficient funds in FY 2004 for MONUC's current mandate and size.

MILLENNIUM CHALLENGE ACCOUNT (MCA)

Question 1. Critics of the proposed MCA have suggested that this will be simply another new bureaucracy, rife with some of the same problems we have faced in our existing foreign assistance programs. Why should we create a separate agency?

Answer. The MCA represents the President's vision of an innovative way for the United States to spur lasting development. The MCA is a truly new approach.

First, the MCA is selective, targeting those countries that "rule justly, invest in the health and education of their people, and encourage economic freedom." By selecting only those countries that have adopted policies that encourage growth, MCA assistance will more likely result in successful sustainable economic development. It will also create a powerful incentive for countries wishing to qualify to adopt growth-enabling policies.

Second, the MCA establishes a true partnership in which the developing country, with full participation of its citizens, proposes its own priorities and plans.

Finally, the MCA will place a clear focus on results. Funds will go only to those countries with well-implemented programs that have clear objectives and benchmarks.

A new institution is the best hope to implement this targeted initiative, and to provide visible evidence of U.S. leadership and high-level engagement. USAID and other agencies will need to continue to deliver the important humanitarian and regional assistance of interest to the United States, to address complex emergencies, and to work both with countries that are MCA "near misses" as well as with failed and failing states. The MCA is designed to complement existing assistance by focusing on growth and demonstrating a new way of working with countries that have reached a high level of development-readiness.

The MCA needs flexibility and focus to carry out its innovative mandate and should start with a clean slate to give it the best chance to succeed and show that this approach works. If it is to respond to developing country priorities, the MCA cannot be restricted to specific areas of funding. If it is to operate with a lean staff and draw from the best and brightest in the public, private and nonprofit sectors, the MCA must have special personnel authority. If it is to be effective, it must also have the ability to contract and procure broadly. If it is to succeed in its mission, the MCA must be open to a new way of operating.

That is why the Administration has proposed the establishment of a Millennium Challenge Corporation (MCC) headed by a Chief Executive Officer nominated by the President and confirmed by the Senate. He or she would report to a cabinet board, chaired by the Secretary of State, which would provide policy and operational oversight as well as facilitate coordination among all foreign assistance programs.

Our goal is a new, flexible, effective and visible organization that complements other assistance activities but operates in, a new way to achieve lasting economic growth in countries most ready for active partnership.

Question 2. In its deliberations to authorize and fund the MCA, the Committee will want to consider how it can be organized to ensure success. Making sure that the organization chooses recipient countries and makes funding grants that are in the foreign policy interest of the United States while, at the same time, giving the organization independence and flexibility are both important goals. The administration's draft legislation is expected to make the Secretary of State the chairman of the MCA board. How important is it to you to hold that position? Is it compatible with the constraints on your time? Are there other ways that we can be assured that MCA decisions will be in the foreign policy interests of the United States?

Answer. The Secretary of State should chair the MCA Board for several reasons. First, the Foreign Assistance Act of 1961 provides that the Secretary of State shall supervise and coordinate U.S. economic assistance.¹ The Secretary takes this responsibility seriously. Second, the MCA is a high priority for the President and this Administration, and placing the Secretary of State in a role that will provide overall policy guidance reflects this high-level commitment. Third, it is from this position that the Secretary can best ensure that the programs and policies of the MCA work to promote the foreign policy interests of the United States. Finally, the President and the Congress rightly insist on strict accountability for the MCA. Secretary Pow-

¹Section 622(c) of the Foreign Assistance Act of 1961 (as amended) provides that "the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.")

ell sees his role as Chairman of the MCA Board as essential to ensuring there is strong Cabinet-level accountability for the MCA.

Question 3. We obviously have learned some valuable lessons over our many years in the economic development business. One of those lessons is that U.S. assistance must be coordinated in the field with other bilateral programs, multilateral programs and with other donor nations. How can we ensure that the MCA and the U.S. Agency for International Development do not compete, overlap, or duplicate one another either in Washington or in the field? How will NCA programs be coordinated with multilateral programs or third country donors?

Answer. The Administration completely agrees that coordination with other U.S. programs as well as international efforts is key to successful development funding. The MCA will have a precise mandate to spur long-term economic growth, operating in a limited number of countries, as opposed to USAID, which has many mandates in many countries. In the field, MCA staff will be under chief of mission authority, as are AID staff, which will facilitate in-country coordination. The MCA will have a lean field staff, and will therefore rely on the Ambassador and Aid Director and their staffs to assist in monitoring and implementing the MCA. The Secretary of State, as Chairman of the Board, will provide the necessary policy oversight in Washington and the field to avoid duplication, ensure coordination, and make effective use of greater resources.

Because MCA funds represent a major increase in a country's development assistance, USAID would likely undertake a strategic review of its programs in those countries. Some USAID programs may well be continued, such as regional programs or those fighting HIV/AIDs or trafficking in persons, while others logically would be phased out or incorporated in the MCC program. Some USAID assistance might also be redirected from new MCA countries to countries that barely miss the list of better performers to improve their chances in future competitions.

The MCA will be able to coordinate with multilateral agencies and other donors providing assistance and financing in MCA countries. This coordination will primarily happen through the country's own MCA contract, which will reflect the country's priority development needs. Encouraging and supporting greater responsibility by the recipient country to coordinate among its donors is an important aspect of making aid more effective. Therefore, attention to this coordination will be a key part of the Millennium Challenge Corporation's (MCC's) approval of MCA proposals.

Question 4. What do you see as the optimal relationship between USAID and the MCA? Does the relationship need to be made clear in the legislation authorizing the MCA?

Answer. From a policy perspective, the work of the MCA and USAID should complement each other in Washington, D.C. and in the field. USAID will, for example, help poor countries to make the reforms and policy changes necessary to qualify for MCA funds. USAID can also fund critical regional initiatives, humanitarian needs and support for strategic partners and failed or failing states, which the MCA is not designed to address. The MCA will remain targeted on increasing economic growth in a select number of countries, and embody a new approach to development, which could also influence USAID's approach to its own programs.

In view of the need for flexibility and effectiveness in implementing a new concept in assistance, it could be disadvantageous to legislate the details of how USAID and the MCA interact. The Secretary of State, in his capacity as Chairman of the MCC's Board and as supervisor of the Administrator of USAID, will ensure establishment of an organizational structure and relationship that promote complementarity and cooperation between the MCA and USAID.

Question 5. If the MCA is successful, do you see it serving as the model for our other international foreign assistance programs?

Answer. The MCA will have a major impact on the way the United States delivers its foreign assistance. It helps clarify our development objectives and create an integrated strategy for achieving them. Its focus on building business-like partnerships with developing countries while encouraging countries to create the policy environment for economic growth is a major new step in lifting poor countries out of poverty.

Even those countries that do not yet have the required policies in place can benefit from the model the MCA presents, and USAID can help those countries develop the capacity and commitment to enact these policies. Our other assistance will also remain critical to address a host of essential foreign assistance needs, such as humanitarian tragedies, assisting in post-conflict situations, fighting the spread of disease, and improving conditions in countries not qualifying for the MCA. Ultimately,

the MCA could be an important tool for promoting results-based assistance, thereby enhancing the efficacy of all development assistance.

Question 6. The emphasis of the MCA will be on developing the potential for growth and development in countries where good government and economic freedom provide the best chance for progress. To what extent do you think the MCA will create incentive to make the changes needed to qualify as an MCA designated country?

Answer. The challenge to create the right policy environment for economic growth is the heart of the MCA. We established transparent, rigorous indicators so each country can see where it stands and target its efforts to meet the qualification criteria. We believe that the potential to harness the substantial amount of funding available through the MCA will serve as a strong incentive for countries to develop these policies. The success of MCA countries should also have a strong demonstrative effect. In this way the MCA will leverage its actual funding to assist even those countries not yet in the program.

Indeed, we are already seeing this happen. We have already received requests from countries to discuss their eligibility for the program and where they might need to improve in order to increase their chances of participating in the MCA.

Question 7. Is our understanding correct that USAID's budget would not be cut to pay for the MCA and, further, that other development funding such as World Bank contributions would not be reduced?

Answer. The MCA does not reduce the need for other assistance and the President has made clear that the MCA is in addition to current assistance. We are committed to global development. We have recently seen this commitment deepen through the newly pledged \$10 billion dollar increase in HIV/AIDS funding, the additional \$200 million pledged for famine relief, the \$100 million requested to address complex emergencies, and the 7.3 percent increase in overall development assistance funding in the 2004 budget sent to the Hill last week. We have also increased our pledges to the Multilateral Development Banks—18% increase for IDA, 18% for the AfDF, and 16% for GEF. We are asking for \$1.3 billion new dollars to fund the MCA, and we urge Congress to authorize that amount.

INTERNATIONAL TRADE EXPANSION

Question 1. Could you describe the Department's role in these negotiations? What is the division of labor between the Department and the U.S. Special Trade Representative?

Answer. State and USTR and other interested U.S. agencies share a strong common objective of demonstrating continued U.S. leadership in the WTO's Doha Development Agenda negotiations and other international trade negotiations, while at the same time vigorously promoting U.S. economic interest abroad. State and other agencies actively support USTR, which takes the lead in developing interagency consensus on most trade policy issues and in conducting most trade negotiations.

Moreover, the Department has the added responsibility of ensuring that U.S. trade policy decisions are consistent with our wider foreign policy objectives.

State, with its extensive global network of economic, commercial, political and public diplomacy officers who have expertise in both local affairs as well as U.S. negotiating objectives, is uniquely placed to advise interagency policy deliberations. Officers, up to and including our ambassadors, at our embassies and constituent posts work on the front lines on a daily basis to explain and build support for U.S. trade policies. They also are the U.S. Government's eyes and ears around the world, keeping Washington informed about the trade policies of host governments and advising Washington on ways to influence key players in host governments to advance U.S. interests and to find solutions to trade and commercial problems.

Question 2. Does the Department have adequate resources to support these current and future negotiating efforts or do you foresee the need for additional funding and personnel for this purpose in future years?

Answer. The passage of the Trade Act of 2002 authorizing Trade Promotion Authority has led to a surge of trade related activities. The Department, like the U.S. Trade Representative's office, is working hard to take full advantage to secure the international economic opportunities created by that legislation.

To support the demands of the various trade negotiations, the Department has asked for additional economic officers overseas and in Washington in our budget requests for FY-2002, FY-2003 and FY-2004. In addition, we will continue to evaluate whether reallocation of existing current resources or a request for additional resources will be necessary.

Question 3. Can you discuss efforts to link trade and aid so that they are mutually reinforcing in their economic development impact? This is now apparently being tried in the Morocco negotiations.

Answer. The Doha, Monterrey and Johannesburg Conferences, as well as development goals in the Millennium Declaration, have changed the dialogue on development. The global community now has an internationally agreed agenda on the steps to take in the trading system and in international development finance cooperation to create the requisite conditions for sustained and rapid growth. Though aid surely plays a role in alleviation of poverty and economic growth, an even bigger impact will come from sound market-oriented economic policies (including trade liberalization) and creation of a welcoming environment for investment. Statistics repeatedly show that private sector resources far outstrip the amounts and effects of official development assistance. For example, the World Bank estimates that removing all barriers to trade in goods would expand the global economy by \$832 billion by 2015, a 2.5% increase or \$136 for every man, woman and child on earth each year. Of this \$539 billion would accrue to developing countries. In furtherance of this goal, many U.S. agencies, most importantly USAID, have significant programs designed to enhance the capacity of developing countries to reap the benefits of the rules-based global trading system. This will include aid designed to help not only Morocco, but also southern African countries and Central American countries participate with greater confidence in the ongoing FTA negotiations. More broadly, our trade-related technical assistance programs will help all our trade partners build capacity through such programs as the World Trade Organization's Global Fund for Technical Assistance.

PUBLIC DIPLOMACY

Question 1. To what extent are we shifting resources in our public diplomacy effort to the Arab world?

Answer. After 9/11, public diplomacy resources shifted to support the war on terrorism worldwide, with a significant emphasis on foreign Arab and Muslim audiences. This resulted in increases of funds of 34% in FY 2002 and 13% in FY 2003 for the South Asian geographic bureau and increases of 15% in FY 2002 and 19% in FY 2003 for the Near Eastern geographic bureau. [FY 2003 figures are drawn from the President's request.]

These bureau increases reflect the priority attention given to the Afghanistan war and the war on terrorism in both these important regions of the world. They also demonstrate the large adjustments that we made immediately following 9/11 and are continuing in FY 2003 to reflect public diplomacy priorities in those regions. As there is no program increase for public diplomacy requested for FY 2004, our shifts for FY 2004 reflect a more modest increase of 3% for the Near Eastern bureau and 5% for the South Asian bureau.

An additional \$35 million in supplemental funding for public diplomacy initiatives has also been directed to foreign Arab and Muslim audiences. These activities included broadcasts, speakers, and foreign journalist tours on values and religious tolerance; English language programs, English teaching, and educational reform projects; American studies programs in universities; and programs on Iran and Iraq. They also included exchanges involving youth, women, the Fulbright program, media training, English language instruction, and American studies.

In addition, a number of programs and activities were initiated at Headquarters and provided to field posts in those regions. For example, we have initiated publication of a magazine meant for young Arabic speakers. This pilot project entails four initial print versions, the first due out in April. We have expanded translations of our print and electronic publications into Arabic and other languages, including "Network of Terrorism" and "Muslim Life in America." We initiated a Farsi Web site and have increased foreign journalist tours and briefings and television co-operative productions with broadcasters from countries with significant Muslim populations. These are just a few of the products reflecting our shift of resources to the Arab and Muslim world.

As for exchanges, in FY 2002 the Bureau of Educational and Cultural Affairs redirected 5% of its base exchange resources (\$12 million) to engagement with the Muslim world and the war on terrorism. The FY 2003 exchanges plan maintains this emphasis, increasing the Middle East's share of worldwide exchange resources to 15%, compared to 11% in FY 2002 and 10% in FY 2001. The bureau's Partnerships for Learning exchanges funded by the supplemental funds target specific world regions, focusing 50% on the Middle East, 20% on South Asia, and approximately 10% each on East Asia, Africa, and Eurasia.

Question 2. The President's budget requests \$30 million to build on the Middle East Radio Network established in 2002 to establish an Arabic language TV network in 2004. Do you have any evidence that our programming is well received? Do you think we can compete with Al-Jazeera?

Answer. The weekly and monthly research returns and focus groups indicate that where Sawa has a strong AM and FM presence it has had a positive impact. Sawa results indicate listenership and audience demographics have exceeded initial projections. I am working with my colleagues on the BBG to expand Sawa's network of AM and PM transmitters. Where Sawa does not have a strong signal, it does not have the same impact. Placement of State and BBG TV products on Arab and non-Arab satellite and terrestrial systems indicates that our current programming is very well received.

Al-Jazeera is influential but we have to remember there are more than thirty satellite systems in the region and many terrestrial broadcasters as well. Television is different from radio. The situation with regard to satellite and terrestrial TV systems in the Middle East is very fluid right now. A number of major commercial and national investors are eager to build networks that will challenge Al-Jazeera. I think that if we have the capacity to purchase products that reflect the best of American culture and society and to commission compelling programs that focus on our foreign policy goals, objectives, and achievements, we can compete with any broadcaster. This could be either through the Middle East Television Network or through placement on Arab and non-Arab networks throughout the world.

Question 3. Are we giving financial support to responsible media outlets to try to counter the influence of Al-Jazeera?

Answer. We do not financially support private or government-owned Arabic television stations. Rather, we work closely with them, as well as with journalists throughout the region, to ensure that U.S. government policy is effectively represented and explained on Arab media. Access to the Arab media is not a problem. They actively seek our views and senior officials to articulate them.

State Department officials appear on pan-Arab TV or grant interviews to the pan-Arab newspapers several times a week. The Secretary has granted eight interviews to Arab media since August 2002, all of which have been front-paged or aired in prime time. Others, including Deputy Secretary Armitage, Under Secretary Grossman, Assistant Secretary Burns, Ambassador Richard Haass, and Ambassador Christopher Ross, have actively engaged Arab TV, radio and print media.

Our embassies in the region also engage the local or regional print and electronic media on a sustained basis. These efforts include interviews by Ambassadors and other appropriate speakers. Moreover, our embassies, working with ECA and IIP, have been engaged in a number of long-term efforts such as programs that are designed to increase the professional skills of Arab journalists and to promote the freedoms as well as responsibilities of the press.

Al-Jazeera's influence has been particularly strong because, up until now, it was the only all-news Arabic media outlet and the first to introduce controversial talk shows. As of February 20, 2003, that changed with the emergence of MBC's new all-news station, Al-Arabiyya. This Saudi-funded station, which has a much more moderate tone than Al-Jazeera, may well make inroads into Al-Jazeera's market. Secretary Powell granted this station a highly publicized interview that aired on its second day on the air. The State Department will continue to work with Al-Arabiyya and other Arab media outlets to ensure that our policies are communicated directly and without distortion.

Question 4. What are we doing to make certain that our foreign service personnel are adequately trained both in language and cultural skills not only to explain U.S. policy to government officials in various Foreign Ministries but also to get out of their embassies and listen carefully to the concerns of others, particularly in countries where extensive segments of the population are of the Muslim faith?

Answer. At the Department of State we believe that in order for foreign affairs personnel to carry out their mission, they must have an understanding of the values and beliefs that exist in their region of assignment. As well, they must have a level of language competence in the countries in which they are serving. Training programs conducted by the Foreign Service Institute reflect this philosophy.

Foreign language proficiency remains one of the key tools to enable communication and understanding, and the Department's Foreign Service Institute (FSI) provides language programs in some 60 plus languages including "superhard" ones such as Arabic, Chinese, Japanese, and Korean, and what we term "enduring freedom" languages such as Arabic, Persian/Farsi, Dan, Pashtu, Tajiki, Urdu and Uzbek. In FY02, PSI provided 1,229,575 hours of language training to 2,764 stu-

dents (an enrollment increase of 28%), with a success rate (those who reach their designated target proficiency level when enrolled for the recommended period of training) of 75%.

To enable officers to better communicate America's story overseas we have included public diplomacy modules in foreign language classes at all levels with a special emphasis on Arabic and other Middle Eastern languages. Language and Culture Instructors receive public diplomacy training to help them better understand the importance of this function. Increased funding for post language programs supports this effort as well. PSI has launched a curriculum development effort specifically targeting listening skills for more sophisticated levels of understanding to help foreign affairs professionals grasp the nuances in conversations with foreign diplomats and host country nationals. FSI is also exploring partnerships with regional educational institutions in the Middle East to provide further opportunities for officers to be immersed in the culture while acquiring more advanced language skills. All long term language programs at FSI also include an integrated area studies component.

Presentations on Islam have long been core components of Area Studies courses, and since 9/11, we have added an Afghan Familiarization Course and sessions on Islam to the European Area Studies Program. Students hear from academic specialists on Islam and Muslim speakers discussing their beliefs; the curriculum is consistently updated to reflect emerging issues.

FSI Public Diplomacy training has included content on Understanding Islam and the role of public diplomacy in the successful implementation of U.S. foreign policy, but a significant effort is being made Department wide to strengthen PD awareness. This fall, we will introduce an expanded series of training courses aimed at employees who will serve in PD positions overseas (two new eight-week courses in addition to the revamped three-week PD tradecraft basics course), designed to help ensure that the U.S. government is able to effectively communicate its foreign policy message and build long term mutual understanding with foreign audiences. The courses will cover media relations and community outreach as well as the management of the Department's exchange, education and cultural programs.

UNITED NATIONS OVERSIGHT AND FUNDING

Question 1. As you are aware, the United States pays its yearly dues to the United Nations at least ten months late each year—in October rather than January—due to a change in timing of the payment made in the Reagan administration. Officials in the Administration, in particular Assistant Secretary Holmes, have expressed support for the language in FY 2003 State Department Authorization Act that “the U.S. should initiate a process to synchronize payment of U.S. assessments over a multi-year period.” Does the President's budget request contain funding to begin the process of synchronization? How do you propose to rectify the issue of the U.S. paying late?

Answer. No, the request contains no such funding. The State Department has considered options to move off the practice of making deferred payments to the United Nations and other major organizations. It would be helpful to the U.N. and other major international organizations if funds could be provided early in their January-to-December fiscal year, so that it is no longer necessary for them to borrow from other internal accounts to cover the part of their assessments that come from the United States. Deferral is a practice that engenders some frustration from these organizations and the other Member States without appreciably adding to U.S. leverage to influence the course of their financial and management practices.

However, we estimate that such synchronization would require some \$700 million in one-time additional funding. As a way to lessen the funding burden, we have examined plans to resynchronize payments on an incremental basis. However, even spread over four or five years, the level of additional annual funding would be quite significant. We continue to look into this issue, but given competing demands for resources, there is no assurance that funding for this purpose can be accommodated in upcoming budget requests.

Question 2. Do we now consider UN management improved? What has changed and what further improvements can we expect?

Answer. The UN has recently made significant management improvements advocated by the U.S. These improvements include the establishment of the Office of Internal Oversight Services, implementation of results based budgeting, adoption of a code of conduct for UN personnel, and reform of the scales of assessment.

In December 2002, the UN General Assembly adopted a resolution giving the Secretary General (SYG) the go ahead to pursue his newest set of management re-

forms. These include a major review of the Department of Public Information, as well as the creation of regional information hub centers that will improve the flow of information and save money (e.g., by consolidating some offices). The SYG has also committed to implementing better evaluations of programs, establishing a more efficient budget process, and instituting management improvements in several key departments/offices.

We will continue to work with the SYG and press for these and other new management improvements such as a reduction in travel costs, elimination of obsolete activities and outputs, and modernization of the Department of Public Information.

Question 3. How can we ensure that the UN continues to be an asset and ally towards winning the war on terror?

Answer. The UN is fully engaged in the War on Terrorism, most notably through the Security Council's Counterterrorism Committee (CTC) and other specialized UN agencies. In a global response to terrorism, most Member States are cooperating to some extent with the CTC in undertaking a wide range of counterterrorism activities mandated by UNSCR 1373, including suppressing terrorism financing and prohibiting any other form of material support for terrorists. Moreover, all the various regional groupings have developed programs for fighting terrorism and are beginning to coordinate their efforts with other such organizations.

The U.S. is taking a leading role in encouraging other countries and the regional and international organizations to redouble their efforts. The U.S. can best ensure the success of these international efforts by assisting and encouraging regional and functional organizations to continue their efforts, and by working to coordinate its bilateral assistance programs with other donors. Working through the UN and other regional organizations will ensure continued commitment to our common goal, spurring other countries to increase their contributions and at the same time more efficiently coordinating operations, targeting assistance, and avoiding duplication of efforts.

Question 4. Ambassador Soderberg, in a recent Washington Times Op-Ed column, and a report sponsored by Freedom House and the Council on Foreign Relations recommend creating a "democracy caucus" of UN member organizations to cooperate on issues of human rights, advancing democracy and fighting global terrorism. Do you believe this is a good idea? Has any groundwork been laid in this regard?

Answer. The United States firmly believes in the strength of democracies and is active in the creation of a coalition of democratic countries. We have spoken with countries in numerous international contexts about the importance of like-minded countries working closely together to advance principles enshrined in international documents, such as the Universal Declaration of Human Rights. Democracies, which are committed to these rights, are well positioned to work together to protect these principles.

At the Second Ministerial Conference of the Community of Democracies held in Seoul last November, the U.S., along with all other countries participating in this important event, endorsed a Plan of Action that included increased cooperation among democracies. The Plan renewed the Community's commitment to the promotion of democracy regionally and globally, recognizing the universality of democratic values, and the protection that democracy affords to human rights and fundamental freedoms. In addition, the countries agreed to cooperate to coordinate diplomatic or other efforts, particularly within international fora.

We have discussed this with allies in Africa, Latin America, and other regions. There is broad support and recognition of the important benefit that can be gained from increased coordination among democracies.

We are examining whether trying to create a formal democracy caucus is feasible. We are also considering alternative mechanisms to achieve the desired result.

Question 5. Has any progress been made in increasing the number of U.S. citizens employed by UN agencies and organizations overseas?

Answer. The Department is beefing up its efforts to attain equitable representation of Americans in UN agencies and other international organizations (IOs). We have instructed our Missions to increase the pressure on IOs under their purview to appoint Americans. To enhance our Missions' efforts, over the past two years we sent a recruitment expert from Washington to urge agencies in Rome and Geneva to increase their employment of Americans. In addition, we are taking steps to work more closely with other U.S. Government agencies to leverage their resources to better identify and promote potential candidates for IO employment.

We expect that these and other efforts underway will result in increased American employment in international organizations.

Question 6. What is your vision of our UNESCO re-entry? How can we make the most out of our joining this organization after twenty years? What is your view on the adequacy of UNESCO's budget? What is the State Department's diplomatic strategy to make certain that the U.S. wins a seat on UNESCO's Executive Board, once it has become eligible to run? Does the Administration plan to have a separate new Ambassador to represent our interests at UNESCO?

Answer. President Bush announced U.S. re-entry into UNESCO "as a symbol of our commitment to human dignity", and he promised that America will participate fully in UNESCO's mission to advance human rights, tolerance, and learning. His announcement has been greeted with enormous enthusiasm by UNESCO and by UNESCO Member States. We will work to strengthen the management and budgetary reforms set in place by UNESCO Director General Matsuura and to influence the programs UNESCO will pursue in the future.

After 19 years outside the organization, we plan to make the most out of our re-joining by promoting the hiring of qualified Americans, by ensuring that a broad range of American expertise is brought to bear in the programs and other activities of UNESCO, and by helping UNESCO address priority areas like "Education For All" in as efficient and effective manner possible.

UNESCO has operated under a flat nominal budget for the past six years. The UNESCO secretariat has proposed expanding specific programs to be funded through an increase in the assessed budget. We are evaluating these proposals with an eye to U.S. substantive priorities in rejoining UNESCO and consulting other member states consistent with a U.S. commitment to prudent fiscal discipline in UN bodies. Our ultimate position will be consistent both with U.S. substantive priorities and with the U.S. commitment to budget discipline in international organizations, including UNESCO.

The United States is seeking a seat on the UNESCO Executive Board during the election tentatively scheduled for October 10 during the UNESCO General Conference. Our primary goal is to work with Group I countries (Europe plus Canada and Israel) to agree on a consensus slate of five candidates, including the U.S. Alternatively, we will need to win support from the 188 Member States of UNESCO in an election by secret ballot. As a first stage, we have notified the UNESCO Member States of our candidacy and have begun a worldwide diplomatic effort to secure support.

The Administration is currently looking intensively at the question of how to structure the new U.S. Mission to UNESCO when the U.S. rejoins in October 2003.

RESPONSES OF HON. COLIN POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

BUDGET-RELATED QUESTIONS

Question 1. In the FY 2004 budget request, there is no funding requested for the U.S. contribution to Korean Peninsula Energy Development Organization (KEDO), requiring the Administration to return to the Congress with a supplemental request if the United States and its allies reach a future agreement with North Korea. At the same time, the Nonproliferation and International Security account in the Department of Energy budget request "has been significantly increased over FY 2003 levels for restructuring of the program to take account for recent events in the Democratic People's Republic of Korea and take steps to bring a 'toolkit' of verification technologies to bear on the clear and present danger of the DPRK nuclear program."

a. In ruling out future funding for KEDO, what message is the Administration sending out to our South Korean and Japanese allies who have always shouldered the lion's share of the financial burden of the Agreed Framework?

b. What is the nature of the funding increase and "restructuring" in the Nonproliferation and International Security account in the Department of Energy budget request as related to North Korea? Please explain how these changes promotes our nonproliferation goals and whether they lay the groundwork for adequate verification of any possible future agreement with North Korea on its nuclear programs.

Answer *a.* Congress appropriated up to \$5 million for KEDO in FY03, provided the President determine that such a contribution is vital to the national security interests of the U.S. Preserving our ability to contribute to KEDO provides us flexibility to work with our allies to achieve our shared non-proliferation goals. The U.S. is consulting with the other members of KEDO's Executive Board (South Korea,

Japan, and the EU) about the future of the organization, including the future of the light water reactor project. We are not prejudging any decisions in this regard. We will keep in close touch with Congress as we proceed.

We do not know now what role, if any, KEDO will play next year, so the Administration did not request FY04 funding for KEDO. If we find it is in our interest to fund KEDO's administrative or other costs, we will request as necessary. We are working closely with our KEDO partners and continuing to consult on KEDO's future activities and financial commitments.

Answer *b*. The re-establishment of safeguards in the DPRK and the eventual verification of North Korea's nuclear materials declaration would have to be immediately undertaken by the international community if the DPRK were to refreeze its nuclear program and/or decide to remain party to the Nuclear Non-Proliferation Treaty (NPT). The already difficult IAEA verification task in North Korea has been further complicated by the following recent events:

1. Removal of IAEA inspectors from North Korea, which has resulted in the loss of monitoring and surveillance of the DPRK frozen facilities at Yongbyon.
2. Unfreezing the plutonium production facilities at Yongbyon. The 5 MW (e) reactor, which was restarted on February 26, will produce additional spent fuel. If North Korea proceeds to reprocess existing canned spent fuel, now no longer under safeguards, it would provide significant quantities of undeclared plutonium along with production of large quantities of reprocessing waste.
3. Knowledge of a clandestine uranium enrichment program. Reestablishing safeguards will require significant effort. The United States provides a wide range of technical support for IAEA safeguards worldwide. We have already delivered a specialized spent-fuel measurement instrument requested by the IAEA for use in the DPRK. We anticipate a need for further high-priority technical support for any renewal effort in the DPRK. The Nonproliferation and International Security account in the DOE budget request, therefore, has been increased over FY03 levels to provide needed support.

Question 2. I understand that Secretary General Annan asked President Bush and you to make a firm commitment to provide financing for the UN Capital Master Plan for renovating its headquarters. I also understand that there has been some discussion of the United States providing a \$1 billion interest-free loan to the UN for construction, as was done when the current facilities were built fifty years ago.

- a.* Has the United States taken a position with regard to the Capital Master Plan?
- b.* What is your view on the prospect of the United States giving the UN a \$1 billion interest-free loan?
- c.* What other options are under consideration for financing the renovation plan? What are the relative merits and demerits of each?

Answer. The Administration supports the concept of the UN Capital Master Plan (CMP) for renovation of the UN headquarters complex in New York. The complex is aging, does not meet current building codes and fire and safety standards, is not energy efficient, and is in need of significant security upgrades. In its initial review of the CMP in 2001, the U.S. General Accounting Office (GAO) indicated that the UN complex "clearly needs to be renovated" and the UN's initial plans for the renovation were "reasonable." The GAO is currently conducting a follow-up review of the CMP, which, we understand, should be available this spring.

No decision has been made regarding an interest-free loan to the UN. It is estimated that a \$1 billion interest-free loan would cost the U.S. government approximately \$550-600 million at current interest rates. This cost clearly presents a major hurdle.

The UN General Assembly has not yet considered the issue of financing the CMP, including the potential options. Other UN members have indicated in various venues their expectation of significant host-country support by the U.S., including provision for an interest-free loan. We expect the issue of U.S. support and CMP financing options, in general, to be major discussion topics in future sessions of the General Assembly.

Question 3. When were the exchange rate calculations for the Contributions to International Organizations (CIO) account made? Please provide an updated calculation of the request for the CIO account reflecting current exchange rates.

Answer. The exchange rate calculations reflected in the FY 2004 request for the CIO account were based on rates in effect at the end of April 2002, when the request was initially formulated. Since that time, the value of the dollar has declined about 20 percent against major foreign currencies (i.e., the Euro and Swiss franc) that are used for the assessments billed by a number of organizations.

Based on updated exchange rates and other adjustments related to the recent enactment of the FY 2003 CIO appropriation, the CIO request would now total \$1,070.2 million, up about \$60 million from the President's request.

Question 4. There is a discrepancy in the request for the UN regular budget set forth in the appendix of the President's budget (at page 691 of the appendix), which calls for \$322 million, and the Budget in Brief, which requests \$340.7 million.

—What is the correct amount of the request?

—What are the reasons for the significant increase in the request for the UN regular budget as compared to the FY 2003 request.

Answer. The Contributions to International Organizations (CIO) FY 2004 request for the UN regular budget is \$340.7 million. This reflects the full amount of the U.S. assessed requirements for calendar year 2003.

The lower figure shown in the appendix (\$322 million) relates to a technical adjustment in the presentation of the account. It is based on the full requirement level of \$340.7 million, as adjusted for a "buy-down" of \$18.7 million to take account of actual or potential funding gains in the overall contributions to International Organizations (CIO) account. The same adjustment figure also appears in the Budget in Brief, but is shown at the end of the dollar tally for the full CIO request (page 99). At present, the amount of the potential "buy-down" is in doubt. The level of the recently enacted FY 2003 appropriation, in the face of exchange rate losses, has likely eroded by \$11.7 million our ability to reduce (or "buy-down") our funding requirements for FY 2004.

The increase in the CIO FY 2004 request for the UN regular budget is attributable to the increase in the revised level of the overall 2002-03 UN budget. The overall UN budget increase, \$266 million, relates to several initiatives that the U.S. strongly supports. These include enhancement of security measures of UN facilities following the events of September 11th, the establishment of a new UN operation in Afghanistan, additional costs relating to special political missions approved by the Security Council, and the work of the UN's new Counter-terrorism Committee. The budget increase also reflects the impact of "uncontrollables" such as higher inflation and exchange rate costs and the approved salary adjustment for UN staff.

Following nearly a decade of no-growth budgets in the UN, we view last year's increase of \$266 million to be a necessary aberration to respond to a host of unforeseen events, including September 11th. Our position remains to ensure strict budget discipline in the UN.

Question 5. The FY 2004 budget requests \$97 million for the D&CP account for 399 positions, the third phase of the Diplomatic Readiness Initiative. This is \$3 million less in nominal terms than the FY 2003 request for the same number of positions.

a. What accounts for this reduction?

b. Specifically, in what areas will savings be accrued?

Answer. The D&CP estimate for the Diplomatic Readiness Initiative is less in the FY 2004 request than in the FY 2003 request due to refinements—based on more recent actual costs and experience—in calculating and allocating the costs of first assignments. These costs include initial assignment travel and outfitting expenses, such as furniture, equipment, lease, and support costs.

Question 6. The FY 2004 Budget in Brief for the State Department (at page 31) asserts that there is \$35.6 million in decreases in the D&CP account which represents funding for "one-time hiring plan costs for 399 new hires under the Diplomatic Readiness Initiative." The FY 2003 Budget in Brief (at page 29) asserts a similar decrease—a reduction of \$33.3 million in funding for "one-time hiring plan costs for 360 new hires under the Diplomatic Readiness Initiative."

a. Are these "one-time" costs referenced in the FY 2003 budget request the same "one-time" costs referenced in the FY 2004 budget request?

b. Please provide specific details on the "one-time" costs incurred in each of FY 2002 and FY 2003 which will not recur under the Diplomatic Readiness Initiative.

Answer a. Yes, the one-time costs referenced are the same types of costs.

Answer b. The one-time hiring costs include security clearances and medical exams for new officers and their families and office and residential furniture, fixtures, and equipment. This expense also consists of costs defined as "make ready move in costs." This includes improvements to new housing stock to cover increased security needs and generators that are required in less-developed countries.

Question 7a. The budget request for the Millennium Challenge Account anticipates \$25 million in administrative expenses for a separate corporation to administer the program.

—Why is a separate corporation necessary to administer this program?

Answer. The MCA represents the President's vision of an innovative way for the United States to spur lasting development. The MCA is a truly new approach.

First, the MCA is selective, targeting those countries that “rule justly, invest in the health and education of their people, and encourage economic freedom.” By selecting only those countries that have adopted policies that encourage growth, MCA assistance will more likely result in successful sustainable economic development. It will also create a powerful incentive for countries wishing to qualify to adopt growth-enabling policies.

Second, the MCA establishes a true partnership in which the developing country, with full participation of its citizens, proposes its own priorities and plans.

Finally, the MCA will place a clear focus on results. Funds will go only to those countries with well-implemented programs that have clear objectives and benchmarks.

A new institution is the best hope to implement this targeted initiative, and to provide visible evidence of U.S. leadership and high-level engagement. USAID and other agencies will need to continue to deliver the important humanitarian and regional assistance of interest to the United States, to address complex emergencies, and to work both with countries that are MCA “near misses” as well as with failed and failing states. The MCA is designed to complement existing assistance by focusing on growth and demonstrating a new way of working with countries that have reached a high level of development-readiness.

The MCA needs flexibility and focus to carry out its innovative mandate and should start with a clean slate to give it the best chance to succeed and show that this approach works. If it is to respond to developing country priorities, the MCA cannot be restricted to specific areas of funding. If it is to operate with a lean staff and draw from the best and brightest in the public, private and nonprofit sectors, the MCA must have special personnel authority. If it is to be effective, it must also have the ability to contract and procure broadly. If it is to succeed in its mission, the MCA must be open to a new way of operating.

That is why the Administration has proposed the establishment of a Millennium Challenge Corporation (MCC) headed by a Chief Executive Officer nominated by the President and confirmed by the Senate. He or she would report to a cabinet board, chaired by the Secretary of State, which would provide policy and operational oversight as well as facilitate coordination among all foreign assistance programs.

Our goal is a new, flexible, effective and visible organization that complements other assistance activities but operates in a new way to achieve lasting economic growth in countries most ready for active partnership.

Question 7b. The budget request seeks \$12 million—nearly half the administrative budget—for “other services” (Budget appendix, page 903). What are these services? Please provide detailed information.

Answer. Estimates for the administrative expenses of the Millennium Challenge Corporation are highly notional. They are based on organizations (such as OPIC and USTR) that have similar administrative costs in terms of travel and personnel. The \$12 million in “Other Services” would cover expenses such as the transportation of items, IT contracts, legal services, and other services associated with the start-up of the MCC. The Millennium Challenge Corporation envisions a lean staffing model. We envision tapping current government resources where appropriate and contracting out a good portion of its administrative support. Any funds not used for administrative expenses will be used for assistance.

Question 7c. The legislative proposals submitted by the President do not include the eligibility criteria in the draft statutory language. Should not the criteria be put in statute? If not, why not?

Answer. The proposed legislation defines the policy criteria, which must be used to determine MCA eligibility, in Section 102(2)A, B and C. The legislation is clear that the MCA should select only those countries that have a “demonstrated commitment to ruling justly, investing in the health and education of their citizens and encouraging economic freedom.” The proposed legislation does not specify the methodology or indicators to be used, although they are described in the accompanying sectional analysis. We chose not to put the methodology or indicators in legislation, since neither is set in stone, nor should they be. No indicator or methodology is perfect and the MCC will regularly review the system to ensure it is selecting countries with the policies that will enable development results. As the program proceeds, as

necessary, certain indicators may be dropped in favor of better data, or other indicators may be added if it is determined they will help the Board of the MCC choose the most qualified countries. The process will continue to be dynamic, transparent, and rigorous.

Question 7d. What is the estimate of obligations of \$800 million in FY 2004 based on?

Answer. This is an estimate of the proportion of the \$1.3 billion budget request, which we expect would actually be obligated in FY 2004, based on the careful selection system we will set up. The MCA will rely on contracts developed in large part by the MCA country itself and then negotiated with the Millennium Challenge Corporation. This is an innovative approach with no precedent to guide us. We anticipate that it may take some time to develop the first proposals and then hone them into acceptably detailed and accountable contracts. We thus did not believe it likely that all MCA money appropriated in FY 2004 would be obligated in the fiscal year. We would anticipate that any remaining funding would be obligated in FY 2005 for programs in countries selected in FY 2004.

MIDDLE EAST PARTNERSHIP INITIATIVE: ESF REQUEST

Question. The proposed legislative language for the Economic Support Fund (ESF) account would provide authority to establish enterprise funds in the "Middle East region." In which countries does the Administration anticipate establishing such funds? Please define what constitutes the "Middle East region" under this provision. What is the estimated cost for establishing such funds?

Answer. The Bureau of Near Eastern Affairs (NEA), working with capital market experts in the Department, USAID and the White House, is developing recommendations for an enterprise fund in the region. Several options are under consideration for designation of the funds. One option would establish country-specified funds, each with a different board. Another option would be to set up an umbrella enterprise fund for all Middle East and North Africa countries with a single board that has the authority to set-up country-specific sub-funds, each managed independently by in-country experts with relevant professional experience.

In December, NEA sent out an interagency assessment team to undertake the first of several country-specific due diligence reviews of the region's receptivity to an enterprise fund type vehicle. The team met with financial service professionals, entrepreneurs, business leaders and other investors to assess capital needs, areas of business opportunity, as well as the regulatory and legal climate. We are incorporating the team's findings into our design of potential funds for the region.

All Middle East and North African countries are eligible, with the exception of Iran, Iraq, Libya, and Syria because of legal restrictions.

The Department and relevant USG agencies are still reviewing individual country needs in the region. The success of these funds will depend upon having a capital base adequate to induce regional governments to undertake the institutional changes needed to facilitate fund investment. For this very reason, we are likely to apply the entire FY04 request of \$30 million to set up a fund in Morocco. In Egypt, we are considering a fund of at least \$100 million, financed over several years from existing ESF sources to be reprogrammed.

EMERGENCY FUND FOR COMPLEX FOREIGN CRISES

Question. The budget requests authority for \$100 million in FY 2004 for a new "Emergency Fund for Complex Foreign Crises."

a. Why is current authority under Sections 451 and 614 of the Foreign Assistance Act insufficient to meet crises?

b. Would the use of funds be subject to any conditions or legal restrictions, such as restrictions barring aid to state sponsors of terrorism?

Answer. Sections 451 and 614 of the Foreign Assistance Act permit the waiving of restrictions but do not authorize new funds, and hence require the drawdown of existing resources. This is not the concept behind the establishment of this new emergency account. Similarly, both Sections 451 and 614 have yearly caps and in the case of Section 614, country caps, that would hamper our ability to respond.

We have drafted the provision for the "Emergency Fund for Complex Foreign Crises" so that it would enable us to provide assistance "notwithstanding any other provision of law", much like authorities to provide disaster assistance and other forms of assistance with respect to which there is general recognition that assistance is needed without regard to usual limitations that under normal circumstances would operate to prevent assistance.

BUDGET-RELATED

Question 1. Please provide information on the current Diplomatic (DS) Special Agents, including—

- the number of DS special agents expected to retire in the next three years;
- the number of DS special agents hired in the last three years;
- the number of FTEs for DS special agents and the number of positions unfilled (with a breakdown between domestic and overseas positions).

Answer. Over the course of the next three years (2003-2005), a total of 173 DS special agents will become eligible for Retirement. Of those, 25 will face mandatory retirement. In 2003, 100 special agents will be eligible to retire with an additional 9 special agents reaching the mandatory retirement age. In 2004, 26 special agents will become eligible to retire and 9 special agents will achieve the mandatory retirement requirements. In 2005, 22 special agents will be eligible to retire and 7 additional special agents will face mandatory retirement.

In the last three fiscal years, 452 special agents have been hired: 52 in FY-2000, 82 in FY-2001, and 318 in FY-2002. Of the 452, 87 were for attrition and 365 were new authorizations.

At present, there are a total of 1,229 DS special agents, of whom 786 are assigned domestically and 443 are overseas. Of the 121 special agent positions that are not filled, 62 are domestic and 59 are overseas.

Question 2. The Budget of Worldwide Security Upgrades (in the D&CP account) requests \$36.7 million to upgrade security at Embassy Kabul and Embassy Dushanbe.

a. What is the estimate of the number of contractor guards at embassy Kabul based on? Is there a comparable number of Marines providing security now?

b. Is the cost estimate based on a similar contract for American guards now in place in Afghanistan (i.e. the protection detail of President Karzai)? If not, what is it based on?

Answer. From July 25 to 27, 2002, a Diplomatic Security program officer visited post to determine the contract guard requirements to replace the assigned U.S. Marine Company. A survey of the Embassy compound, Embassy Annex, review of the U.S. Marines resources and capabilities and consultations with the DCN, TDY RSOs, and Marine Company commander was conducted. The information obtained from the consultations, surveys and analyzing the current U.S. Marine capabilities and resources was used to determine the estimated resources, within the parameters of a contract guard force capabilities, to adequately replace the U.S. Marine Company and provide security. The estimated number of contractor guards was also based on providing coverage to the entire Embassy compound and allowing for increased vehicular and pedestrian traffic as the Embassy assumes normalized operations. It provides contract guards for the mobile patrols, off site offices, and the Ambassador's residential security that are not currently provided by the Marine Company.

To adequately replace the U.S. Marine Company with a contract guard force employing American citizens, Diplomatic Security has estimated that 273,640 guard hours per year would be required at an annual cost of \$6,204,000 in FY-04.

Currently, a reinforced company of U.S. Marines, approximately 80 personnel, is providing security for the American Embassy in Kabul. More contract personnel will be required. The U.S. Marines are better equipped with weapons capabilities and resources, which provide them with the ability to react to threats with a smaller contingent of personnel than can be provided under a commercial guard contract. Also, an increase in contract guards is required to account for mission operations and other security services that are not currently being provided by the U.S. Marines.

The cost estimate for the guard service is based on a similar contract for the protection of President Karzai in Afghanistan. The proposal is to use American guard personnel hired through a commercial guard contract.

Question 3. With regard to the request for Athens Olympics Security, will the United States Olympic Committee or the host committee provide any reimbursement of the projected costs to the United States government for providing security to the U.S. Olympic Team? Is there a precedent for providing special agents to protect the Olympic Team at an Olympics held outside the United States? From where would the 150 special agents be assigned to temporary duty be drawn? What would be the consequent effect on security at the U.S. missions or domestic offices from which the special agents would be drawn?

Answer. Neither the Athens Olympic Organizing Committee nor the U.S. Olympic Committee will provide reimbursement for the costs associated with providing security for the U.S. Olympic Team. The Organizing Committees do not fund security for each nation's Olympic team but will provide basic security for all participants.

Special Agents from the Bureau of Diplomatic Security (DS) have provided protective security support for the U.S. Olympic team for the 1988 Seoul, 1992 Barcelona, and the 2000 Sydney Games. DS has also provided coverage for U.S. Athletes at the World Cup and other international sporting events.

We expect to draw some of the 150 Special Agents from Washington DC, various DS field offices throughout the United States and from volunteers at overseas posts where their temporary travel will not adversely affect mission security. We will also ask other U.S. Federal Law Enforcement agencies to provide their Special Agents in support of this operation. This is done at the UN General Assembly (UNGA) every year. U.S. Marshals, ATF Agents and other Federal law enforcement personnel work with DS to protect foreign dignitaries attending the UNGA.

The 150 Special Agents assigned to provide security for the U.S. Olympic Team will be in Greece no longer than four weeks: most for only two to three weeks. We believe this will not produce long term adverse affects on the operations of our domestic offices. No DS agent from an overseas mission will be used if that mission's security will be adversely affected by the agent's absence.

Question 4. What are the number of ETEs devoted to INR-TIPOFF/Terrorism program? Are these positions all filled? Does the request for FY 2004 provide for additional positions? If not, why not?

Answer. There are currently five positions devoted to INR's TIPOFF program. All of these positions are filled. These positions are supplemented by contract support as required.

The Department's FY 2004 request includes an additional 399 positions to complete the Diplomatic Readiness Initiative (DRI). These positions, as well as contractor resources, will be prioritized to help close existing staffing gaps and meet the dynamic staffing requirements for the Department, including those that are identified for the TIPOFF program.

Question 5. Why are the Fulbright Exchanges and Professional Exchanges being reduced in the FY 2004 request? How many fewer exchange participants will receive funding as a result?

Answer. The President's FY 2004 request for Educational and Cultural Exchanges is \$345 million. The Department can do more in exchanges. However, the overall federal budget constraints did not allow funding above the levels we are requesting.

The FY 04 request consists of:

\$245 million for exchanges, which is straight-lined from the FY 03 level and \$7 million below the current services level of funding. We estimate that this will result in 2,450 fewer exchanges in FY 04. Given that, ECA will pursue prioritization of effort and achievement of efficiencies to maximize the utilization of our funds.

The request also includes \$100 million for the merger of FSA/SEED exchanges from the Foreign Assistance appropriation into the Educational & Cultural Exchanges (ECE) appropriation. In the past, the Department has used Foreign Assistance transfers from USAID to support these key education, international visitor, and citizen exchange activities in the NIS and southeastern Europe.

We need ways to reach the youth of the world, to quell hostility towards us, and to engage in constructive dialogue that increases mutual respect, and change antiAmerican attitudes. Exchanges are central to that longterm effort.

Question 6. What is the unobligated balance in the K Fund as of February 1, 2003? What are the projected obligations in FY 2003?

Answer. As of February 1, 2003, the unobligated balance in the Emergencies in the Diplomatic and Consular Service account (K Fund) was \$43.3 million.

Projected FY 2003 obligations for the K Fund are estimated to total \$30 million.

As a contingency account, the K Fund is utilized to meet unforeseen emergencies in State Department operations. Given the war on terrorism and campaign against the spread of weapons of mass destruction, it is highly likely that we will need to draw down the balance of this account in FY 2003 to meet requirements for rewards and evacuations.

INTERNATIONAL DISASTER ASSISTANCE

Question. The request for International Disaster Assistance is \$50 million below the request for FY 2003 and \$186 million below the actual spending in FY 2002. Why is the request reduced so significantly?

Answer. The basic funding level for the International Disaster Assistance (IDA) account has not been reduced from traditional levels.

The FY 2003 request included a budget amendment of \$53 million for humanitarian, refugee, and reconstruction assistance specifically for the West Bank and Gaza.

The FY 2002 actual level included a total of \$186 million from the Emergency Response Fund (P.L. 107-38) and the FY 2002 Supplemental Appropriations Act (P.L. 107-206) to address specific post September 11 requirements.

As Secretary Powell indicated in his hearing, additional funding, including IDA, will likely be needed in FY 2003 to address additional unfunded needs.

BUDGET-RELATED

Question 1. What were the number of passports issued in FY 2001, FY 2002, and the first quarter of FY 2003?

Answer. The Department issued 7,119,506 million passports in FY 2001; 7,143,345 million in FY 2002; and 1,463,770 in the first quarter of FY 2003.

Question 2. What were the number of NIV applications in FY 2001, KY 2002, and the first quarter of FY 2003?

Answer.

	FY 2001	FY 2002	Oct.-Dec. FY 2003
Issued	7,588,778	5,769,638	1,204,822
Refused	2,870,799	2,587,230	603,461
Total	10,459,577	8,356,868	¹ 1,808,283

¹ This figure represents a 2.76% increase over the same period during FY 2002.

Question 3. The Budget-in-Brief for the State Department (page 21) projects that 6 million persons will apply for non-immigrant visas and will generate an MRV fee in FY 2003, which will also apply in FY 2004. The projected fee collections (set forth in the appendix), however, differ by \$200 million (projected \$582 million in FY 2003 and \$782 million in FY 2004).

—Please explain the difference in the projected MRV fee collections.

Answer. The FY 2004 budget assumes a visa workload of 7 million non-immigrant visa applicants, of whom approximately 6 million are required to pay the \$100 Machine Readable Visa Fee. Certain categories of visa applicants, such as those seeking diplomatic visas, are not subject to the MRV fee. Against this MRV demand base of 6 million applicants, we have FY 2004 budgetary requirements that total \$736 million. Enhanced visa processes and the requirements under the Enhanced Border Security Act and the PATRIOT Act largely drive these requirements. Among the program that we must continue and/or initiate during KY 2004 is the collection of biometric data from all applicants. We are also conducting longer and more extensive interviews of all visa applicants.

In order to fund these activities, the FY 2004 budget assumes that we will increase the MRV fee beyond \$100. The Department has embarked on a comprehensive cost of service study to determine what this new fee would be. From a budgetary standpoint, we estimate that the new fee would be \$130 to \$140 per applicant, thereby generating net revenues of approximately \$782 million.

Question 4. The Budget-in-Brief for the State Department (at page 35) indicates that the Department will establish 68 new positions in KY 2004 by shifting responsibility for visa adjudication currently held by Consular Associates to Foreign Service Officers. The next paragraph indicates that “in addition, the Department of State will establish additional positions as part of the Border Security Program funded by MRV fees.”

—How many such positions will be established? At what cost?

Answer. In FY 2004, the Department will establish 193 new positions to support the delivery of consular services. include:

- 68 positions funded as part of the Department’s D&CP program. These positions will allow the Department to continue to meet its commitment to shift visa adjudication responsibilities from consular associates to commissioned Foreign Service Officers. The total costs of these positions is \$22.572 million.

- 125 new positions funded through the Department's Border Security Program. This includes 80 overseas positions and 45 domestic positions. The overseas positions will deal with both workload requirements and the need to begin collecting biometrics from foreign visa applicants. The domestic positions will address staffing needs associated with the domestic passport function and the overall management of the Bureau of Consular Affairs. The total cost of these 125 new positions is estimated at \$26,400 million.

Question 5. What would be the cost of ending the charge imposed on passport applications for telephone inquiries to the National Passport Center? Please provide an estimate which assumes retaining the services of the contractor operating the Center.

Answer. The Department of State depends upon the National Passport Information Center (NPIC) to answer inquiries from American citizens seeking information about the U.S. passport application process. The NPIC is currently operated by a private sector firm at no-cost to the Department of State; the NPIC charges callers a fee that recovers the cost of its service.

The Department of State, consistent with our commitment to continue to improve service to our passport customers, is currently reviewing proposals from vendors interested in taking over the NPIC function and operating it as a service that would be largely funded by the Department of State. The actual cost of this contract will be determined through both the procurement process and based on actual usage of this service by passport applicants. The Department's FY-03 and FY-04 Border Security Program budget includes \$5 million for Public Information Support to fund a consular information program that will answer telephone inquiries about visas, passports and American citizen services. The new contract will be funded from this budget source.

CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN (CEDAW)

Question. On July 8, 2002, you wrote me indicating that the Administration was conducting a review of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and that the review was proceeding as "expeditiously as possible." Over seven months have now passed.

- a. What is the current status of that review?
- b. When does the Administration expect to complete it?

Answer. The Administration is firmly committed to the advancement of women, in the United States and abroad. However, we continue to review unresolved questions related to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). We have at this point no timetable for the conclusion of the review, and therefore are not prepared to commit to concluding our work under a particular time frame. As the review proceeds, we will continue to advocate for women and children using a wide range of diplomatic tools including foreign assistance, bilateral negotiations, and at multilateral fora.

ALLEGATIONS OF TORTURE BY USG PERSONNEL IN CONNECTION WITH WAR ON TERRORISM

Question. On December 26, 2002, the Washington Post reported on treatment of terrorists suspects detained overseas by U.S. officials. The article alleges that such suspects are "subject to what are known as 'stress and duress' techniques," and further alleges that suspects who do not cooperate are rendered to foreign intelligence services whose "practice of torture has been documented by the U.S. government and human rights organizations."

- a. Please comment on these allegations as presented by the Washington Post article.
- b. What is U.S. policy and practice with regard to interrogation and treatment of such suspects?

Answer. The United States, does not permit, tolerate, or condone torture. Torture is a violation of U.S. law. Allegations of torture are thoroughly investigated. Enemy combatants detained in U.S. control are treated consistent with applicable United States law and international law against torture, without regard to the conduct of our attackers. A number of these detainees are Senior al-Qaida operatives or others committed to killing Americans and others. They have been, and will continue to be, questioned aggressively in order to protect the lives of Americans and others. However, U.S. Government personnel are not permitted to torture detainees or participate in torture by others. They must conduct themselves in a manner that com-

plies with applicable law. In any cases where the United States transfers detainees to other countries for detention, we seek and receive assurances that detainees will not be tortured.

POLICY OR LEGISLATIVE QUESTIONS

Question 1. What instructions, if any, have been provided to posts with regard to implementation of Section 505 of the Foreign Relations Authorization Act, FY 2003 (P.L. 107-228) (related to travel by Voice of America correspondents)?

Answer. The Department of State and our Ambassadors overseas recognize the vital role VOA correspondents play in bringing objective coverage of critical stories to the world. However, VOA correspondents, as all IRE, BBG and VOA employees, are federal employees subject to the same constraints, privileges, and responsibilities as are all federal employees overseas. Therefore, VOA correspondents are subject to Chief of Mission authority and must request country clearances when traveling abroad. They are also subject to Ambassadorial instructions in times of crisis.

The Department and Administration feel there cannot be two separate systems of accountability—one for the employees of all overseas USC agencies and one specifically tailored to VOA correspondents. Uniform treatment of all public servants is crucial to the discipline and security of all our personnel, as was made clear in the President's signing statement of September 30, 2002.

When other global media representatives are present, VOA correspondents have been allowed to remain in-country even in cases of an ordered departure. Ambassadors do not count VOA correspondents towards the mandated personnel levels during an authorized or ordered departure. In addition, in cases of mandatory evacuation, the Department of State follows the Department of Justice's direction that correspondents must evacuate with all other USC personnel, but the journalists should be the last employee to depart before the ambassador.

These precepts have served well and maintain the correspondents' ability to cover a story, the President's authority and requirement to have a uniform overseas public service, and the Ambassador's responsibilities as Chief of Mission and Presidential representative.

Question 2. In August 2002, in West Papua, Indonesia, two Americans were killed and eight others injured in an ambush while driving on a mountain road. There is evidence that senior members of the Indonesian military may have been behind this attack, which occurred less than half a mile from an Indonesian military post. The senior Indonesian police official in charge of the investigation said last December that there is evidence that soldiers from the army's strategic reserve force (KOSTRAD) were involved in the shooting. This same police official also reported last November that a witness to the ambush reported seeing members of the Indonesian army's special forces (KOPASSUS) participating in the attack. The Indonesian police report on the murders concludes, quote: "there is a strong possibility that the case was perpetrated by members of the Indonesian National Army Force, however, it still needs to be investigated further." The Indonesian police authorities who conducted the first investigation into the murders have been transferred, removed from all authority over the case.

In January 30, the New York Times reported that "senior Bush administration officials" have determined that Indonesian soldiers carried out the deadly ambush.

Question a. Has the United States government reached any conclusions about who is responsible for the murders in West Papua? Has the Indonesian government? If so, what are the conclusions?

Answer. The United States Government has not yet reached conclusions about the identity of individuals who are responsible for the murders in Papua, pending completion of the investigation into this incident. We believe that the same holds true for the Government of Indonesia.

Question b. Is the Indonesian government providing the FBI with full, unobstructed access to potential suspects and witnesses to the killings? Specifically, has the FBI been permitted to interview General Raziman and Assistant Senior Police Commissioner Sumarjiyo, the police authorities who first investigated the murders?

Answer. While we cannot speak for the FBI, we understand that the cooperation provided to Indonesian Government officials did not meet the full expectations of the FBI investigators who recently returned to Papua for further investigation of this case. Indonesian military authorities allowed the FBI agents to interview military personnel, but only in the presence of an Indonesian Army Brigadier General who had an intimidating effect on the soldiers. While the Indonesian Government authorities initially promised to allow the FBI to take evidence to the United States

for testing, they later conditioned such an action on FBI funding of GOI personnel to accompany the evidence to the United States. Subsequently, during a February 19 meeting with FBI Director Mueller, Indonesian Police General Pastika stated that the FBI would have to send investigators and testing equipment to Indonesia in order to run tests on the evidence. The FBI investigators did not request to meet with Brigadier Raziman during their most recent trip to Papua. The FBI worked closely with Assistant Senior Police Commissioner Sumarjiyo during a previous visit and asked to meet with him upon their return to Papua but were told that Sumarjiyo had been removed from the case.

Question c. On January 22, the State Department expressed the Administration's opposition to an amendment to the FY 2003 omnibus appropriations bill that would have conditioned some IMET assistance to Indonesia. The Assistant Secretary of State for Legislative Affairs asserted, "The President has directed that we emphasize to the Government of Indonesia that there must be a credible investigation and process of justice to avoid damage to our entire bilateral relationship." Assistant Secretary Kelly, described, however, "repeated demarches" from Washington which led the Indonesian Government to permit the FBI to participate in a new investigation of the West Papua killings.

Would you describe the Indonesian Army's investigation into its own role in the West Papua murders as "credible?" Why does it take repeated demarches in order for the FBI to be permitted to investigate a crime in which 10 of the victims were American?

Answer. The Indonesian government's summary of the various investigations, including those conducted by the Indonesian Army, was provided to the FBI. We understand that the FBI review of this summary found information pointing to possible involvement of individuals associated with the Indonesian military, however, the FBI also noted that the Indonesian government has not yet followed up on this information in a credible manner. Senior officials of the Indonesian Government quickly grasped the importance of this case; that we presented "repeated demarches" was due to the fact that we raised this issue in each and every encounter between senior U.S. and Indonesian Government officials.

Question d. If the Indonesian military is found to have orchestrated the attack or had prior knowledge of it, what will be the consequences with regard to the U.S.-Indonesian relationship?

Answer. Anything short of a full accounting and punishment for those responsible for this crime would be unacceptable and would have a negative impact on the bilateral relationship. At this time we are not prepared to speculate on the specific consequences of such a failure.

Question 3. Please provide information on implementation of Section 606(a)(1)(A) and (4) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (related to Emergency Action Plans at U.S. missions and crisis management training for Department personnel) since enactment. How is oversight exercised of post compliance with regard to the requirements for training or drills of measures under the Emergency Action Plans? What is the compliance record of posts in this regard?

Answer. Foreign Affairs Handbooks (FAH) are the Department's regulatory authority and all posts are expected to be in compliance. The Emergency Planning Handbook, requires every post to conduct the following drills each year: Fire, Bomb, Emergency Destruction, Internal Defense, Duck and Cover, and Warden System Exercise for Notification of both Official Personnel and Non-Official U.S. citizens. Posts listed as high or critical on the Security Environment Threat List must conduct these drills twice a year. The Handbook specifically states that Posts will report the dates and results of the drills as they are conducted via cable to the Department. The Bureau of Diplomatic Security's Office of International Programs tracks the status of Drills through Quarterly Status Reports.

Since 1999, the Department has provided instruction in crisis management to personnel at U.S. diplomatic posts by conducting Crisis Management Exercises (CMEs) at a minimum of 100 posts per fiscal year. On average, each post will participate in a CME once every 30 months. All posts had completed at least one CME by March 2001. The number of CMEs conducted through FY02 is as follows: FY 2000: 103; FY 2002: 105; FY 2002: 110.

Question 4. How many overseas facilities, in percentage terms, currently do not meet security standards for setback?

Answer. We currently have 248 overseas posts with facilities located in stand-alone buildings or compounds and 86.6% of the posts do not fully meet security standards for setback.

Department long-range plans call for the replacement of fifty-four of our current overseas office facilities with new buildings through FY 2007. Should these plans be achieved, the percentage of our overseas office facilities not meeting setback standards would be reduced from 86.6% to 65%. Relocating more of our smaller facilities into commercial space in multi-tenant office buildings, as 9.5% of our office facilities are currently located, will improve our security as well. While offices in commercial space generally do not meet setback standards, this alternate execution strategy for small posts provides a reasonable level of security at an affordable price.

Question 5. Section 606(a)(7) of the Admiral James N. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 requires the Secretary of State to enter into a memorandum of understanding (MOU) with the Secretary of Defense on rapid response procedures for mobilization of personnel and equipment in times of emergency with respect to U.S. diplomatic facilities. Has this MOU been concluded?

Answer. The MOU has not yet been concluded. However, the Executive Secretariat (S/ES) has begun internal preparations for negotiations with the Department of Defense on rapid response procedures. According to the January, 2001, Security and Intelligence Oversight Report, stakeholder bureaus in State met and reviewed existing documents defining responsibilities for crisis response.

Although the MOU process was initiated in early 2001, an MOU has not yet been completed. Summer 2001 personnel turnover and the events of September 11, 2001, delayed progress. Since 2001, S/ES has experienced a complete changeover in staff. A November 20, 2002, memo from the OIG to the S/ES executive office, requesting a status report on the MOU, brought the matter to the attention of the new Executive Secretary and S/ES staff, who were previously unaware of the requirement.

To advance progress on the MOU, the Executive Secretary has designated the Office of Crisis Management Support (S/ES-O/CMS) as the action office for negotiating and drafting the MOU. The Director of CMS has reestablished dialogue with the Department of Defense to that end.

S/ES will advise the Committee when the MOU with the Department of Defense is finalized.

Question 6. Please provide information on attrition by grade, in the Foreign Service in Fiscal Years 2001 and 2002. Please provide information both in the aggregate and as a percentage of each grade. Does the Department conduct exit interviews of officers who resign or retire voluntarily? If so, what are the common reasons for departure from the Service?

Answer. We are continually gratified by the fact that attrition in the Foreign Service remains very low. We do collect information and whenever possible conduct exit interviews with Foreign Service employees who resign. In these interviews, the reasons most often cited are related to incompatibility with the Foreign Service lifestyle due to employee or family medical issues, children's educational needs, or difficulty in finding employment for a spouse.

In addition, in our employee survey last year, employees most often cited those same reasons as the ones that might prompt them to consider leaving the Department. We have a variety of programs and initiatives to address these concerns so that employees and families can remain with the Department. This includes our spousal employment assistance program and our efforts to manage "tandem" couples where both are employees of the Department.

Question 7. As of January 1, 2003, what is the current average caseload of officers in the Office of Children's Issues?

Answer. As of January 1, 2003, the average caseload in the Abduction Unit of the Office of Children's Issues is currently fifty-four active cases per officer.

Question 8. What is the status of consolidating all public diplomacy personnel at Main State? How long will State continue to use SA44?

Answer. Under the State-USIA Reorganization, the office of the Under Secretary for Public Diplomacy and Public Affairs was established at Main State. In addition, the public diplomacy staffs from the regional bureaus moved to Main State from SA-44. In addition to ECA and IIP personnel, the legal public diplomacy staff remain at SA-44 pending on-going major renovations that will result in the consolidation of the Bureau of Legal Affairs at Main State.

The lease for SA-44 was renewed on January 3, 2003 for ten years, through January 2, 2013. We are planning to consolidate most/all of the ECA and IIP personnel to the Foggy Bottom area when the American Pharmaceutical Association completes a proposed building addition across the street from Main State. Due to site transfer and building height limitations, we expect this addition will not be completed until 2007/2008. We can give GSA notice and vacate all or a portion of SA-44 when we are able to move staff to the new site.

Question 9. The backlog of pending Freedom of Information Act (FOIA) or Privacy Act requests continues to increase, according to the most recently available reports from the Department. At the end of FY 2000, there were 5,782 requests pending. At the end of FY 2001, there were 6,214 requests pending. The Congressional Presentation Document for the Department for FY 2003 indicates "23 additional FTEs were provided to the Bureau of Administration in the third quarter of FY 2001 to eliminate the backlog during FY 2002 and FY 2003."

a. What is the current backlog of FOIA and Privacy Act requests, as of January 1, 2003?

b. Are those 23 additional FTEs still filled?

c. What are the reasons the backlog continues to increase?

Answers:

a. As of January 1, 2003, there was a backlog of 4420 FOIA and Privacy Act cases.

b. Nineteen of the 23 additional FTEs have been filled; the remaining four positions will be filled as soon as background investigations are completed for the TOP SECRET security clearances required for the positions. These 23 FTP will remain filled as part of the permanent FOIA program infrastructure that has been established to reduce the current backlog and prevent its build up in the future.

c. The backlog is no longer increasing, but decreasing as evidenced by the fact that as of March 1, 2003, we had 3,762 FOIA and Privacy Act cases in the backlog.

BUDGET-RELATED QUESTIONS

Question. The Congressional Presentation Document for the Department for FY 2003 indicates that the "Department has embraced the use of alternative fuel and natural gas vehicles for the domestic motor pool . . . (w)e have exceeded our goal for energy efficient vehicles, in that they now comprise 84 percent of the applicable inventory."

a. What is the goal for "energy efficient vehicles?" What is the Department's definition of such a vehicle?

b. What efforts are being made or have been made to procure such vehicles overseas?

Answer *a.* The Department of State's goals for energy efficient vehicles are set forth in the Agency Fleet Energy Strategy Plan. Although the Department has not established a "percentage" for energy efficient vehicles, the Department's strategy includes: the use of biodiesel (B-20) instead of conventional diesel powered vehicles; continued acquisition of alternative-fuel vehicles (AFVs) and use of alternative fuels in AFVs; acquisition of light-duty vehicles with higher fuel economy; and improvements in the efficiency with which DOS vehicles are operated.

The Energy Policy Act of 1992 (EPA) requires that 75 percent of all covered light-duty vehicles (where the fleets have 20 or more vehicles, are capable of being centrally fueled, and are operated in a metropolitan statistical area with a population of more than 250,000 based on the 1980 census) acquired for Federal fleets must be Alternative Fueled Vehicles (AFVs). In FY 2002 the Department acquired 43 AFVs (6 CNG bi-fuel, 4 CNG dedicated buses, and 33 E-85 flex-fuel) for a total of 51 AFV credits. This resulted in an AFV-acquisition percentage of 340% for FY 2002 (based on the Department's acquisition of 15 light-duty non-exempt or "covered" vehicles).

The Department's definition of "energy efficient vehicles" is defined as any vehicle that meets, or exceeds, the fuel economy values for a specific make and model of motor vehicle as established by the Environmental Protection Agency (EPA). When acquiring vehicles, the Department strives to purchase fuel efficient vehicles as published in EPA's "Fuel Economy Guide".

Answer *b.* Currently, there are no energy efficient alternative fuel vehicles in the overseas fleet, primarily because most countries do not have alternative fuels available. We have purchased 50 American-manufactured model year 2003 sedans and 30 model year 2003 station wagons that can use either ethanol or gasoline fuel which will be used to replace gasoline only powered vehicles where practical.

RESPONSES OF HON. COLIN POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR GEORGE V. VOINOVICH

STRATEGIC HUMAN CAPITAL MANAGEMENT

Question 1. Secretary Powell, the U.S. GAO, the Nation Commission of Public Service, the U.S. Commission on National Security 21st Century, the John F. Kennedy School of Government at Harvard University and numerous other organizations have observed that the federal government is experiencing a pervasive set of strategic human capital management challenges. What is the Department of State doing to address these issues especially in the case of its Civil Service workforce?

Answer. The Department of State has already embarked on its most ambitious management reform ever in the area of human capital. We have made people a top priority in the Department for both resources and attention.

The Diplomatic Readiness Initiative (DRI)—begun in FY2002—is our plan for ensuring the Department has enough staff to respond to crises and emerging priorities, fill critical overseas staffing gaps, and allow for training, especially in language and leadership and management, without leaving us understaffed. We have successfully completed the first year and are well on our way to completing year two. With continued Congressional support we will be able to complete the DRI in FY2004.

As part of the DRI, we have reformed our recruitment and hiring, making significant gains in attracting talented applicants to the Department. We increased all of our outreach and targeted the skills we needed as well as minorities. With additional resources, we have successfully streamlined the Foreign Service hiring process and have turned our attention to the Civil Service hiring process. While much of that process is governed by statute and managed by the Office of Personnel Management, we want to ensure that what is within our control is effective, efficient, and encourages talent to join the Department.

In addition to recruitment and hiring, we have also concentrated on better methods of workforce planning, developing a Domestic Staffing Model as a complement to our Overseas Staffing Model. As we use the results from our initial assessments and begin to refine that model, we will be able to better project skill needs within our domestic operations. We are also working with the Department of the Army to revise their civilian succession planning model for our use.

One of the goals of the DRI is to ensure we have an adequate “personnel complement” that can allow us to send people to the needed training while not leaving day-to-day responsibilities understaffed. The Army budgets a significant percentage of its workforce for transfers and training and we want to be in a position to plan for dealing with the unexpected rather than always taking it out of hide.

As part of the emphasis on training, we have instituted a plan to train all Foreign and Civil Service mid-level employees over four years in critical leadership and management skills. This is mandatory. We also increased the emphasis on those skills in our Junior Officer training and established a new training requirement for employees entering the Senior Executive Service or the Senior Foreign Service.

Question 2. Please describe the State Department’s rate of use of the following title 5 authorities, which are designed to recruit and retain a high-quality Civil Service workforce: (1) recruitment, retention and relocation allowances; and (2) student loan repayments.

Answer. (1) The Department of State has implemented a structured program of financial incentives to facilitate recruitment and retention of individuals who possess critical Information Technology skills. A panel of subject matter experts from throughout the Department established the professional training and certification criteria, based upon the skills needed to meet mission requirements. The program provides one-time recruitment bonuses of up to 25% of base pay and on-going retention allowances of up to 15% of base pay, depending upon the level of the individual’s credentials. To date, approximately 50% of the current IT workforce have attained the necessary credentials to receive some level of retention allowance. And 250 employees have been approved for a recruitment bonus. Incentives have also been paid to recruit and retain Civil Service employees in positions which require skill in such difficult to staff languages as Japanese and Arabic.

Although the Department does not utilize the relocation bonus incentive, we do pay permanent change of station allowances in accordance with the Federal Travel Regulations to all Civil Service employees who are relocated either from another Federal agency or within the Department. We have also implemented written policies and procedures which allow individual bureaus to pay certain travel expenses for new hires who are relocating to accept employment with the Department.

(2) The Department's Student Loan Repayment program has been recognized as one of the most advanced and ambitious in the Federal Government. In Fiscal Year 2002, 137 Civil Service employees in positions in 26 occupational series were offered Student Loan Repayment incentives. Of the 26 occupational series, 17 were identified as chronically difficult to fill with or retain high-quality employees. The employees in the remaining nine occupational series have unique skills, knowledge, or abilities the Department has determined it is essential to retain.

Two hundred and seventy Foreign Service employees in positions in 90 overseas locations were also offered Student Loan Repayment incentives.

Question 3. Please comment on the State Department's use of the Presidential Management Intern (PMI) Program in recent years. Specifically, please respond to the following questions:

- How does the PMI Program fit into the Department's short- and long-term recruitment and hiring goals? Will the Program be included in the management and/or human capital portion(s) the Department's strategic and/or performance plans, which are now required by the Government Performance and Results Act (GPRA)?
- What role does the PMI Program play in helping the Department prepare for the imminent dynamic increase in federal workforce vacancies that will be created by "Baby Boomer" retirements over the next decade?
- What is the retention rate of PMIs who convert to the competitive service after completing their two-year internships? How long do such former PMIs remain with the Department?

Answer. The PMI Program plays a significant role in both our short- and long-term recruitment goals. Since 1997 we have been averaging over 50 PMI hires per year for a total of 307 to date. OPM has recognized the Department as being among the top three Federal employers for PMI's over the past several years.

While the PMI program is considered a part of our succession plan and its use is encouraged at the highest levels, it is primarily a tool for Bureaus to use to meet their skill needs. The yearly process of determining what PMI positions to authorize is part of the regular budgeting and planning process that allocates human resources.

Having a vibrant PMI program helps us to have significant numbers of trained and experienced mid and senior level managers ready to assume the responsibilities of our departing Baby Boomers. To this end, we have instituted a centrally managed and structured program agenda that:

- Brings the PMIs on board as a group in September
- Provides a dedicated week-long orientation at FSI
- Requires mandatory periodic submissions of Individual Development Plans that are monitored by the central PMI program manager
- Identifies specific management courses to be taken at FSI
- Provides opportunities for two 4-month rotations which can include serving at an embassy or consulate abroad.

Since 1997, we have converted 148 PMIs into Federal Service. Of this number, 123 (83%) are still working at the Department, with 17 having entered the Foreign Service. Of the 25 who left after their conversion, 5 transferred to other federal agencies. We currently have over 150 PMIs progressing through their two-year internship.

Question 3. The Foreign Service Institute has an excellent reputation for training the National's diplomats in foreign languages and offering many beneficial courses to civilians as well. Is language training available for those civilians who wish to gain such skills?

Answer. The Foreign Service Institute (FSI) provides language training primarily to U.S. foreign affairs professionals in preparation for assignment abroad. It does not have the authority to provide language training to civilians in general. FSI can provide training to individuals under a Personal Services Contract (PSC) with the Department of State when there is a job-related need connected to an overseas assignment.

FSI, like the Defense Language Institute, does make some of its language training materials (such as language tapes and texts and multimedia CD-ROM tools) available, at a reasonable cost, to the public through the National Technical Information Service which is under the Department of Commerce.

Question 4. What new legislative authorities, if any, would be useful to the improved management of the State Department's Foreign Service, Foreign Service National and Civil Service workforces?

Answer. It is important that the issue of the dislocation of the locality pay system be addressed especially as it relates to overseas pay where employees receive the base pay scale and not even the "rest of the U.S." locality pay rate. For employees required to spend large portions of their careers overseas, this is a major inequity and disincentive with cumulative effects over a career. It has eroded the value of hardship differentials and retirement contributions. The longer this situation persists the more it affects morale as we ask employees to do challenging work in ever more difficult situations overseas.

SITUATION IN KOSOVO

Question 1. What is your assessment of the situation of ethnic minorities in Kosovo? What constructive steps can the United States take to end ethnic violence and encourage respect for all people in Kosovo, including Serbs, Roma, Egyptians, Bosniaks, Croats, Turks and other minorities?

Answer. The status of ethnic minorities in Kosovo varies widely by municipality and even from village to village. The situation generally is improving, but needs further progress.

Overall, violent acts against ethnic minorities have decreased but ethnic minorities continue to face less visible forms of aggression as well as serious restrictions on their freedom of movement. Some areas have opened up for Serbs, but they still face pressure to sell property, encounter difficulty traveling outside Serb-populated areas, and are sometimes subject to arbitrary violence and intimidation. Roma, Ashkali, Egyptians, Bosniaks and Gorani have freedom of movement in parts of Kosovo. Turks are generally well integrated and face few problems. A number of municipal leaders are actively working to improve the situation for minorities in their communities, but indifference and hostility toward ethnic minorities remains a significant problem. Lack of economic opportunity is a serious problem for both Albanian and minority communities.

The U.S. continues to push the leaders of Kosovo's ethnic communities to end ethnic violence and intimidation, as well as make clear that Kosovo must become a multiethnic society in which all of Kosovo's citizens, including Serbs, can live safely. Positive statements in support of returns and multi-ethnicity, such as those of February 28 by President Rugova, Prime Minister Rexhepi, and Kosovo Assembly President Daci, are helpful.

In addition to its substantial funding to support returns and the work of the Housing and Property Directorate in 2003, the U.S. will leverage funds for municipalities, setting local officials' public support for tolerance and minority returns in their communities as a precondition for obtaining U.S. assistance.

The U.S. Office in Pristina also coordinates closely with the UN Interim Administration Mission's (UNMIK) Office of Communities and Returns, and promotes an activist agenda on returns and multi-ethnicity through its contacts with Kosovo leaders and through an active public diplomacy program.

Question 2. During my visit to Kosovo last May, I was impressed with the "benchmark goals" outlined by Head of UNMIK Michael Steiner, which call for progress in key areas, including respect for the rule of law, strengthening democratic institutions, and building a civil society. The benchmark goals also emphasize the need to address respect for minority rights and refugee return. What progress has been made in the areas outlined by UNMIK? What is the United States doing to further the implementation of these goals? I am particularly interested in the level of our involvement in efforts to facilitate refugee return in Kosovo.

Answer. We share your support for UN Special Representative Michael Steiner's eight basic standards of a functioning democratic society. These standards, which are linked to tangible benchmarks, are designed to guide the Provisional Institutions of Self-Government toward democratization. Recently Mr. Steiner has pushed Kosovar leaders to engage more proactively on the benchmark process rather than focus on final status. While we support this approach of "standards before status," Special Representative Steiner also needs to set out clear indices of compliance for the Kosovar authorities. To that end, we welcome Mr. Steiner's recent elaboration of actions local entities need to take to meet the benchmarks and his intention to engage municipal officials as well as the Provisional Institutions of Self-Government on their implementation.

For your review, I have listed below the eight standards with a brief update on each.

- **Functioning Democratic Institutions:** Since 1999, Kosovo has conducted three successful elections under the guidance of the international community. As a result, there are functioning, representative institutions at both the central and municipal levels. The provisional government and Assembly have worked together with UNMIK to produce legislation on education, the environment and economic development.
- **Rule of Law:** Kosovo's multi-ethnic police service, the Kosovo Police Service, while still a new force, is a success story. Since its inception in 1999, the United States has committed \$54.9 million to train and equip this organization. Additionally, the U.S. provides 555 U.S. police officers to the UN police mission in Kosovo, who are both performing law enforcement functions, and helping to develop the institution. The rate of serious crimes in Kosovo declined sharply in 2002, and the recent arrests of three former Kosovo Liberation Army members in Kosovo indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague transpired without violence. However, ethnic violence and organized crime continue to plague Kosovo. To help establish the rule of law, the U.S. has contributed \$2.5 million to counter organized crime, including help establishing a Criminal Intelligence Unit and Kosovo Organized Crime Bureau within UNMIK police.
- **Freedom of Movement:** In a few tense regions such as Mitrovica and Pec/Peje, the freedom of movement for minorities is limited; but, overall, there was a marked increase in freedom of movement in some areas for Serbs and other minority communities in 2002.
- **Returns and Reintegration:** In the past year, we have seen progress on the return of refugees and internally displaced persons to Kosovo, but we are insisting on further, and faster, progress. In 2002, nearly 2,700 minority individuals returned to Kosovo, and minority returns exceeded departures for the first time since the end of the conflict in June 1999. Nearly 6,000 refugees and displaced minorities have returned since 1999. In 2003, we anticipate returns on a larger scale as the security situation improves and returns coordination between UNMIK, international donors and Kosovo officials improves. The difficult general economic situation in Kosovo and particularly for minority communities remains a considerable obstacle to sustainable returns.

Ensuring people have the right to return to their homes is an important priority of the USG. In 2002, the State Department contributed \$13 million to support the work of the United Nations High Commissioner for Refugees in Serbia and Kosovo and funded \$5.5 million in NGO programs for returns to Kosovo. In 2003, there will be an increase in funding for State Department's Bureau of Population and Migration and USAID managed returns programs. The U.S. will also leverage funds for municipalities, setting local officials' public support for tolerance and minority returns in their communities as a precondition for obtaining U.S. assistance. We have also urged the Europeans to extend financial support long enough to encourage current positive trends to continue, and to work together with UNHCR to ensure a smooth handover of returns responsibilities to local authorities. We will continue to work closely with UNMIK, the international community, and the Kosovar leadership to ensure that everyone who wishes to return has the opportunity to do so.

- **Economy:** Through significant U.S. support, Kosovo has developed a sound macroeconomic and structural policy for economic recovery. We are working closely with UNMIK and the provisional Kosovo authorities to establish a market-friendly legal framework to attract outside investment and spur job growth. Privatization has now begun. We are actively seeking ways to allow IFI support to Kosovo, and to enmesh Kosovo into the larger regional economy in a way that does not prejudice the outcome of its final status.
- **Property Rights:** Unresolved property disputes continue to hinder returns, but recent administrative changes in UNMIK's Housing and Property Directorate have allowed this organization to operate more efficiently and help clear away hurdles to sustainable returns. The U.S. will continue to support property rights in 2003.
- **Dialogue with Belgrade:** The U.S., along with UNMIK, continues to encourage a direct dialogue between Pristina and Belgrade on practical issues such as energy, trade and freedom of movement. Establishing direct talks remains a politically sensitive issue for both parties at this time. We note with approval Special Representative Steiner's invitation to Belgrade and Kosovo leaders February 28 to participate in technical talks.
- **Kosovo Protection Corps:** From the outset, the United States has funded training for the Kosovo Protection Corps to build its capabilities in disaster relief and civil protection tasks, improve discipline and bring about better compliance

with its mandate. Unfortunately, the Kosovo Protection Corps still lacks significant minority participation.

REFUGEE RETURNS IN SOUTHEAST EUROPE

Question. My interest in the issue of refugee return in southeast Europe traces back to my visit to the Stankovic refugee camp in Macedonia during the war in 1999. At that time, I was very concerned with the plight of Kosovar Albanian refugees, and I was glad that many of them were able to return to their homes. I have also been very concerned with human rights and refugee return throughout the region, whether in Bosnia, Croatia, or Kosovo. I believe continued progress on this issue is crucial to efforts to enhance security and stability in the region. What is the United States doing to promote refugee return in southeast Europe? Where has progress been made, and where do we need to raise our level of involvement in the region?

Answer. The U.S. supports the return of displaced people in the Balkans in several ways. We provide substantial funding to organizations that promote returns; in 2002 the State Department contributed sixteen million dollars to non-governmental organizations and nearly twenty-four million dollars to the United Nations High Commissioner for Refugees to support their activities in the region. The United States Agency for International Development contributes substantial development resources in support of returns as well. We also use our diplomatic leverage with authorities in the region to push for progress on the issue of returns.

Our efforts are yielding results. In Bosnia and Kosovo, we saw encouraging progress in 2002. More than 100,000 people returned to areas of Bosnia in which they will be part of the ethnic minority. This brings the total number of minority returns in Bosnia to nearly 400,000, out of one million total returns, since the Dayton peace agreement. We expect similar numbers in the coming year. In Kosovo, minority returns have begun to exceed minority departures, and, while more needs to be done, this is a sign of progress. This past year saw nearly 2,700 such returns, for a total of nearly 6,000 since the end of the conflict in 1999. Non-Serb minorities such as Roma and Bosniaks still make up the bulk of these returns; however, we expect to see Kosovar Serbs returning in increasing numbers in the coming year.

Progress has been slower in Croatia. Although more than 250,000 Croatian Serb refugees remain displaced throughout the region, only 17,000 returned to their homes in 2002. This number is unacceptably low and we, together with our European partners, continue to push the Croatian government to live up to its commitments to assist the return of these individuals.

Given the success in Bosnia and the fact that the obstacles in Croatia are mostly political and do not require outside financial assistance, we will shift our funding priorities towards Kosovo in the coming year. We will also continue to press the region's governments to live up to their commitments to support returns.

ANTI-SEMITISM IN EUROPE AND THE MIDDLE EAST

Question. As we have discussed, I remain deeply concerned with the rise in anti-Semitic violence that has been seen in Europe and the Middle East. I believe it is crucial that the United States develop a strategic plan to raise the awareness of this growing problem. What is our national strategy to highlight the issue of anti-Semitism? What are we doing bilaterally on this matter, and how are we working with various international organizations such as the United Nations and the Organization for Security and Cooperation in Europe (OSCE)? What steps has the United States taken to encourage the OSCE to schedule a separate, human dimension implementation meeting on the subject of anti-Semitism this year?

Answer. The Department of State also views with concern the rise of anti-Semitic violence in Europe and the Middle East. We have raised the point bilaterally with high-level officials of governments of affected countries, both here and abroad.

Our strategy is to focus on measures that will encourage our European Allies to adopt programs to prevent anti-Semitism. One effort that has been particularly successful is the International Task Force on Holocaust Education, a group of 17 countries that is designing programs to prevent anti-Semitism and encourage tolerance.

Bilaterally, we have been active in raising our concerns with host governments. We have underlined that anti-Semitism can not be dismissed as the action of hooligans, but must be seen as a challenge to democratic civil society. These demarches have often resulted in public statements issued by the Presidents of the countries involved, such as that of President Putin in 2002.

We have also pressed the issue of anti-Semitism in the OSCE. Last year, the United States won agreement at the OSCE Ministerial in Porto, Portugal, to hold an OSCE meeting on anti-Semitism in 2003. We expect the meeting to be held in

early summer. The United States will assemble a robust delegation of public and government members who will address the U.S. experience in dealing with anti-Semitism and share our best practices in dealing with this problem with other OSCE participating states.

The UN addresses the general subject of religious intolerance, rather than anti-Semitism per se. An independent special rapporteur on religious intolerance with a mandate from the Commission on Human Rights submits periodic reports to the General Assembly and UN Commission on Human Rights, and decides which current problems (such as anti-Semitism) UN organizations and agencies will focus upon. We support those efforts.

ORGANIZED CRIME AND CORRUPTION

Question. What is the United States doing to combat organized crime and corruption in southeast Europe? How is the U.S. government working with various non-governmental organizations and other members of the international community, such as the Southeast Europe Cooperative Initiative (SECI), the Stability Pact, the OSCE, and the European Union, among others? How, if at all, are the various initiatives of these groups being coordinated?

Answer. Organized crime and corruption pose a serious threat to the Balkans, and by extension, to Western Europe and the U.S. Criminal and terrorist organizations are often connected and exploit the weakness of states in the region, in particular through trafficking in persons, small arms, drugs, cigarettes, and illegal financial flows. Together with the international community, the U.S. is working with these countries to improve their capacity to deal with organized criminal elements, which take advantage of a weak rule-of-law structure and a decade of conflict. We place a high priority on development of the rule of law in this region, and have provided significant assistance focused on bilateral law enforcement, judicial reform, and border control.

The U.S. also supports regional initiatives and organizations such as the Southeast Europe Cooperative Initiative (SECI), the Stability Pact and the OSCE, which help to foster cooperation among states on these issues, and we work closely with these organizations, and our European partners, to coordinate efforts and maximize the benefit of our assistance. The Stability Pact has recently co-located the Secretariat for its Organized Crime initiative (SPOC) at the Regional Anti-Crime Center in Bucharest. These organizations work together with EUROPOL and other European structures to ensure their activities are coordinated. Several EU countries have sent observers to the Bucharest Center and some are also providing financial support to the SPOC. The SPOC and the Bucharest Center are also working to follow up on the conclusions of the November 25 EU Conference on Organized Crime that was held in London. The OSCE's emphasis on combating illegal trafficking also serves as a vehicle for developing further measures on organized crime and corruption.

NATO

Question. As we begin to discuss the issue of NATO enlargement during this session of Congress, there is continued dialogue regarding the role that the NATO Alliance will play during the next fifty years. How does the question of NATO enlargement fit into this debate? From your perspective, what is the role of NATO as we prepare to confront new challenges to global security post-September 11th? What contributions can aspirant countries make to enhance the overall security of the Alliance?

Answer. The role of NATO for the next fifty years will be what it has been for the Alliance's first fifty years: to safeguard the freedom and security of all of its members by political and military means in accordance with the North Atlantic Treaty and the principles of the United Nations Charter. NATO will remain the key Transatlantic tie and the indispensable Euro-Atlantic security institution.

However, the threats that are facing the Alliance in the 21st Century have changed dramatically since the Cold War years. The principal threats of today—terrorism and the proliferation of weapons of mass destruction—are transnational and global in nature, stemming in many instances from non-state actors and from regions outside of NATO's traditional area of operations.

To address these threats, NATO has embarked on a revolutionary transformation of its military capabilities. This transformation, which was the focus of the Alliance's highly successful summit last November in Prague, will provide NATO with the means to rapidly deploy and sustain highly capable forces to wherever they are needed. This transformation is being led by the United States with the support and full participation of our Allies, seven new invitees to NATO and our partners.

At Prague, our European Allies agreed to improve their military capabilities, through pooling resources and specialization, enabling NATO to undertake collective action against the new threats that we face around the globe. For their part, the seven invitees are already working to develop such specialized niche capabilities. At Prague, the Allies also endorsed a U.S. proposal to establish a NATO Response Force (NRF). The NRF will harness NATO's new capabilities into a cutting edge land, air and sea force that will be able to deploy at short notice to anywhere in the world and sustain itself in the field.

NATO's decision at Prague to invite seven new members to join the Alliance will also transform the Alliance, extending our zone of security from the Baltic to the Black Sea. Committed Atlanticists, each of the seven new invitees is already functioning like a de facto Ally. Each has contributed in some capacity to Operation Enduring Freedom, and peacekeeping missions in the Balkans. And all seven have also supported publicly our call for Saddam to disarm or face the consequences.

At Prague, the Alliance also rededicated itself to improved relations with its neighbors, especially to the east and south. This is particularly important given that many of the threats facing NATO today originate from these areas.

Closer relations between NATO and neighbors such as Russia and Ukraine will enhance the political and economic stability, of these countries, and Alliance security, by encouraging military reform, good governance, rule of law, human rights, and economic development.

RESPONSES OF HON. COLIN POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR CHRISTOPHER DODD

VENEZUELA

Question. It would appear that the Government prefers Carter's referendum proposal as provided for in the Venezuelan Constitution while the opposition favors Carter's Constitutional amendment route and early elections. Where do we go from here?

Answer. The dialogue process led by OAS SYG Gaviria aims to help the Venezuelan Government and opposition bridge the gap between the two viable electoral proposals tabled by former President Carter on January 21. We strongly encourage both parties to avail themselves of this forum to break the current political impasse. The Venezuelan Government and the opposition need to reach agreement, at the dialogue facilitated by OAS SYG Gaviria, upon which electoral option—either the recall referendum or a constitutional amendment—to pursue to resolve Venezuela's crisis.

The United States fully supports this dialogue effort and, along with the other members of the Group of Friends, is committed to monitor and verify the implementation of any agreement brokered by the OAS. In an effort to help this process, the United States will join the other members of the Friends group for a meeting on March 10 to explore concrete steps that can be taken to advance a "constitutional, democratic, peaceful, and electoral" solution in Venezuela.

MEXICO: RECENT DECISION BY THE INTERNATIONAL COURT OF JUSTICE ON BEHALF OF
MEXICO

Question. Earlier this week the ICJ called upon the United States to stay the execution of three Mexican nationals on death row while it adjudicates the charge brought by the Mexican Government against the United States that the U.S. violated its obligations under a Vienna Consular Convention to give these individuals access to Mexican consular officials prior to their trials. 11What will be the U.S. response to the ICJ order?

Answer. Mexico's case on the merits seeks broad remedies in criminal cases in which a Mexican national allegedly was not advised without delay, as required by Article 36 of the Vienna Convention on Consular Relations, that he could request that his consular officials be notified of his arrest and detention. (There are no allegations that Mexican nationals have been denied access to Mexican consular officials when requested either by the detained national or a consular official.) All of the 54 Mexican nationals identified by Mexico application to the ICJ were sentenced to death, but three have recently had their sentences commuted to life imprisonment. The ICJ has set a schedule requiring that Mexico file its Memorial on June 6, 2003, and that the United States file its Counter Memorial on October 6, 2003.

The ICJ provisional measures order of February 5, 2003, provides that the United States shall not execute three specific Mexican nationals who Mexico believes are

closest to having an execution date set. None of the three in fact yet has an execution date. The Department of State is reviewing the order in consultation with the Department of Justice.

IMMIGRATION

Question. What concrete progress has taken place since the November meeting? Realistically, what are the prospects for reaching an immigration accord with Mexico this year or next? What implications will this have on the Mexican Congressional elections scheduled for later this year? What further personal role do you plan to take in these negotiations?

Answer. While ensuring our security concerns are addressed, the Administration remains committed to finding ways to advance the bilateral migration agenda with Mexico. During my discussions at the Binational Commission meeting in November in Mexico City, I conveyed this message to the Government of Mexico.

As part of our examination of ways to improve and expedite the H2b visa application process, the Departments of State, Labor and Justice continue evaluating regulatory changes that would facilitate the matching of willing workers in Mexico with willing employers in the United States. The Department of State's Bureau of Consular Affairs has initiated a feasibility study on integrating data systems from agencies that have a role in the H2b application process.

In addition, our bilateral migration agenda is closely linked to our efforts to enhance homeland security through our U.S.-Mexico Border Partnership agreement (signed March 2002). As part of this "smart border" initiative with Mexico, we are cooperating on such issues as sharing data on travelers to our countries and seeking greater harmonization of visa regimes.

It is difficult to predict when a migration accord with Mexico might be reached, as there are many variables and a variety of complex legal and regulatory issues that must be carefully explored. However, it is an important issue that remains high on the bilateral agenda. Given the foregoing, I would prefer to avoid speculation on the implications of a migration accord, or the lack thereof, on the legislative elections in July.

I am regularly updated on developments pertaining to Mexico and migration and intend to continue my direct involvement in this issue.

Affairs has initiated a feasibility study on integrating data systems from agencies that have a role in the H2b application process.

In addition, our bilateral migration agenda is closely linked to our efforts to enhance homeland security through our U.S.-Mexico Border Partnership agreement (signed March 2002). As part of this "smart border" initiative with Mexico, we are cooperating on such issues as sharing data on travelers to our countries and seeking greater harmonization of visa regimes.

It is difficult to predict when a migration accord with Mexico might be reached, as there are many variables and a variety of complex legal and regulatory issues that must be carefully explored. However, it is an important issue that remains high on the bilateral agenda. Given the foregoing, I would prefer to avoid speculation on the implications of a migration accord, or the lack thereof, on the legislative elections in July.

I am regularly updated on developments pertaining to Mexico and migration and intend to continue my direct involvement in this issue.

HAITI: AID EMBARGO

Question 1. [OAS] Resolution 822 was passed in September 2002, and among other things, it called on Haiti to establish a neutral electoral council and for the normalization of relations between Haiti and the international financial institutions. At that time the U.S. pledged to provide \$1 million to the OAS mission so that security could be improved in Haiti a precondition for the opposition participating in the electoral process. The OAS mission has seen none of that money and not surprisingly security remains a problem in Haiti. Is the U.S. going to support the efforts of the OAS or not?

Answer. The U.S. has provided \$1.6 million of the \$3.2 million contributed to the OAS Special Mission to date. The EU has contributed 600,000 Euros (US\$641,160) with another 150,000 Euros (US\$159,000) pledged; Canada \$511,139, with an additional \$2 million Canadian (US\$1.3 million) pledged. The Mission has requested additional funding of \$11-13 million based on its current mandates. The cost for elections security and observation could be as high as \$35 million.

The Special Mission's Work Program has five components—security, justice, human rights, governance and assistance for the 2003 elections. While funding constraints have prevented us from providing for the full needs of the Special Mission,

we have been actively looking for additional funds from both U.S. and foreign resources. We have been working with the Special Mission and UNDP on support of OAS Special Mission activities and projects in Haiti, especially in the areas of security and electoral assistance. We have also contacted other donors to encourage them to fund the same activities.

The U.S. took the lead in creating the OAS Special Mission for Strengthening Democracy in Haiti in January 2002 via OAS Resolution 806 and in expanding its mandate via OAS Resolution 822. We believe the OAS Special Mission offers the best opportunity for long-term democratization in Haiti.

Question 2. Why, four months after the decision by the OAS to “normalize” Haiti’s relations with the IDB, have we seen little or no movement on these funds?

Answer. OAS Resolution 822 supported normalization of economic cooperation between the Government of Haiti and the international financial institutions and urged those parties to resolve the technical and financial obstacles that preclude such normalization.

The Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF) have each held discussions with the Government of Haiti since last September. However, before loan disbursements can begin from the IDB, Haiti needs to pay its IDB arrears, slightly over \$20 million as of year-end 2002. The same holds for the World Bank. For IMF programs, Haiti needs to negotiate and implement an agreement with the IMF on basic economic reforms. An appropriate IMF agreement could also facilitate additional loans from the IDB and World Bank.

To date the Government of Haiti has neither paid its arrears to the IDB or World Bank, nor reached an agreement with the IMF. All three institutions continue their talks with the government. We have encouraged the Government of Haiti to take the steps needed so that lending from these institutions can resume. We have also encouraged the institutions to work actively toward this goal.

BRAZIL

Question. On October 27, 2002, presidential elections were held in Brazil. These elections were noted as being free and fair, and resulted in the victory by a landslide of Luiz Inacio Lula da Silva—known as Lula—the leader of the left-wing Workers’ Party. During the elections, Lula promised a set of pension, tax, and other reforms that he is now attempting to implement. However, due to his lack of political experience and his earlier radical positions, the elections campaign and results were marked by a panic in the financial markets. Recently, Lula presented an outline of his first major policy initiative, through which he hopes to ensure that in a country where 44 million people live on or below the poverty line, everybody has enough food to eat. However, some Brazilian officials and analysts have criticized this initiative for overstating the problem of hunger in Brazil, confusion over which regions will be helped, ill-preparedness, and lack of funding.

How much weight do you give to these criticisms? Should the United States provide aid to the Brazilian government for the funding of this program? In your opinion, have the recent elections affected U.S.-Brazil relations?

Answer. Brazilian President Lula launched his centerpiece “Zero Hunger” program on January 30. We understand that the program is not yet in effect nationwide and that some elements of the program are still being designed. President Lula’s goal of eliminating hunger in Brazil is a worthy humanitarian objective that deserves our praise and, where appropriate, support. The United States is examining how it might be able to provide technical support to the Government of Brazil in this initiative.

Brazil is a friend of the United States and a key hemispheric partner. We consult regularly on regional and global issues. President Bush met with then President-elect Lula on December 10 in Washington. At that meeting, they agreed to hold a bilateral summit in 2003. The summit, which is yet to be scheduled, will be an opportunity for the United States to build upon and expand the already excellent bonds we share with Brazil.

ARGENTINA

Question. What is the status of this funding? Besides supporting the IMF loan, what measures has the United States taken to prevent total economic collapse in Argentina? Are there additional measures that the U.S. should take to aid Argentina?

Answer. With the strong backing of this Administration the Government of Argentina reached an interim agreement with the International Monetary Fund in late

January. The January-through-August 2003 agreement gives Argentina the opportunity to build a more stable foundation in the period before a new government can undertake more far-reaching reforms.

Argentina has endured four years of recession. The economy declined sharply in the first quarter of 2002 and then began to bottom out in the second quarter of 2002, pointing the way to a possible modest recovery in 2003. Social suffering is widespread and intense with almost 60% of Argentines living in poverty.

Argentina's crisis was caused in large part by poor domestic fiscal policy inconsistent with its rigid exchange rate regime. A key aim of the agreed IMF program is to help underpin macroeconomic stability and build a foundation for economic growth in Argentina. It is important that the Government of Argentina fully implement all of its commitments for the program to be successful and the IMF has just indicated that the program is on track and that quantitative performance targets are being met with comfortable margins.

Over the longer term, we will support Argentina's efforts to develop a more comprehensive program to strengthen stability, the rule of law, the investment climate, and growth. In addition, we will encourage Argentina to engage cooperatively with creditors to resolve the country's defaulted debt.

As you mentioned, the Administration has been a strong supporter of the interim IMF agreement concluded in January. In addition, the Administration has been a strong advocate of the World Bank's support for the Government of Argentina's Heads of Household program, a workfare program that pays 150 pesos per month (about \$45) to the unemployed in exchange for community service or training. At the end of 2002, 1.85 million Argentines had benefited from this program. We have also supported programs funded by the Inter-American Development Bank. Most recently, we supported a \$1.5 billion emergency loan for a Program for Social Protection and Mitigation of the Impact of the Crisis on the Poor.

At the request of the Government of Argentina, the U.S. Treasury has been providing short-term technical assistance missions in the areas of monetary policy and banking sector reform to help build the basis for future growth and prevent future financial crises. Treasury will consider providing further longer-term technical assistance in these areas.

In the areas of trade, we have been seeking ways that are consistent with our trade laws to assist Argentine exporters. We meet regularly in the U.S.-Argentine Bilateral Council on Trade and Investment (BCTI). We are currently close to concluding an accelerated review of petitions for Argentine products under the Generalized System of Preferences. We also recognize that Argentina has been free of hoof and mouth disease for one year, paving the way for the USDA to conduct an assessment, which may allow renewed Argentine beef exports to the U.S. The Department of Commerce has accepted Argentina's request to conduct an administrative review of anti-dumping/countervailing duty margins, and will consider Argentina's severe currency devaluation and the drastic increase in U.S. domestic prices for honey as part of its normal review process.

RESPONSES OF HON. COLIN POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR RUSSELL D. FEINGOLD

Question. Is it your view that the Indonesian military has made significant progress in its reform efforts over the past two years? On what do you base your assessment? Will the Department link military assistance to our demand for cooperation and accountability in the investigation of the murder of American citizens in West Papua?

Answer. Military reform in Indonesia is a mixed record. The military has accepted more changes in its status and role in the national life over the past four years than at any other time in its history. It did not intervene in the 1999 elections, and it resisted political pressure to violate constitutional norms during the turbulent period of President Wahid's impeachment and the succession to President Megawati. The military has formally relinquished its special, parallel function in government, and accepted a sharp reduction in appointed parliamentary seats and the end of appointed representation in legislative bodies by 2009. The five-year conviction on March 12, 2003 of an Army General officer for East Timor human rights abuses represents a tangible step on the path to accountability.

Fundamental problems remain, however. Progress on accountability has been slow; the military has grudgingly gone along with trials for a small number of officers for human rights abuses. Civilian control only exists in name only and discipline remains a problem. The military deals with inadequate central government

funding through running unofficial businesses and foundations, and engaging in illegal activities. There are many other reasons for this lack of progress, including lack of political will, institutional resistance, budgetary constraints, and the fact that the decade-long absence of IMET-trained military officers constrains our interactions with key players in regards to both counter terrorism cooperation and comprehensive military reform. We continue to press the Indonesians for thoroughgoing reforms.

We have conveyed in the strongest possible terms to the Government of Indonesia that we expect them to identify and punish all those responsible for the August 2002 murder of Americans in Papua. Anything short of a full accounting and punishment for those responsible for this crime would be unacceptable and would have a negative impact on the bilateral relationship. Indonesian Government actions in this case would be an important factor in our evaluation of future military assistance programs for Indonesia, along with other factors such as U.S. national security interests, respect for human rights, civil-military relations, political developments in Indonesia, and the regional strategic environment.

Question. Should the recent execution, following a secret trial, of an ethnic Tibetan accused of terrorist bombings in Sichuan, together with the closed-door prosecution in Shenzhen of a U.S. resident on apparently trumped up terrorism charges, cause us to be concerned that repressive governments whose support we are soliciting to combat global terrorism are themselves using the “war on terrorism” as an excuse to crack down on legitimate, peaceful dissent and persecute restive minority groups?

Answer. The U.S. Government is committed to ensuring that adherence to international human rights norms is not sacrificed in the pursuit to advance the global war on terrorism. We have made it clear to the Government of China on many occasions that the United States strongly opposes any attempt to use the war on terrorism as an excuse to crack down on those who are peacefully expressing their political or religious views. We have expressed deep concern about the execution of Lobsang Dhondup without adequate due process and the recent detentions of dissidents on terrorism charges.

We reiterated our views to the Government of China at the time of the Executive Order designation last September of the Uighur group ETIM. We continue to emphasize to all countries in which Foreign Terrorist Organization and Executive Order 13224 designees exist that human rights must be respected.

In December, Assistant Secretary for Democracy, Human Rights and Labor Lorne W. Craner traveled to Xinjiang as part of the China Human Rights dialogue to deliver directly to Chinese officials the President’s message that the war on terrorism cannot be used to crackdown on minorities. The message was reinforced during the recent visit to China by Ambassador Cofer Black, the State Department’s Coordinator for Counterterrorism. He publicly stated that any response to terrorism must be carried out within the context of protecting the rights of all citizens under the rule of law.

Question. What, based on your preliminary intelligence, do you expect the annual coca cultivation survey to show in terms of results of the 2002 fumigation campaign, and if it’s not positive, what other alternatives will you begin to look at?

Answer. The annual U.S. official estimate on Colombian coca cultivation for 2002 was released on February 27. The estimate showed a 15 percent reduction in Colombian coca fields compared to 2001—the first decline in cultivation in a decade. The report also noted a 50 percent reduction in coca fields for the Departments of Putumayo and Caqueta, the focus of our most aggressive coca eradication campaign.

This estimate reflects the contribution that the aerial eradication program is making to our efforts to fight cocaine at its source.

Question. Please provide an update on the status of targeted sanctions on officials in Zimbabwe. Is the asset freeze effective at this time?

Answer. Travel restrictions remain in effect for those Zimbabwean government officials and others, including business figures, who continue to undermine Zimbabwe’s democratic institutions. The IEEPA (International Emergency Economic Powers Act) Executive Order blocking the assets of key Zimbabwean government officials has been forwarded for the President’s signature. If signed, the Order would block the assets in the United States or held by U.S. persons of key Zimbabwe government officials, and would complement similar action taken by the European Union.

Question. Can you assure me that the United States will continue to support the Special Court for Sierra Leone?

Answer. The United States was a leading supporter of UN Security Council Resolution 1315. The resolution called upon the Secretary General to establish with the government of Sierra Leone an independent Special Court, and was successfully passed in August 2000.

The United States continues to be a strong supporter of the Special Court. We contributed \$5 million in FY01 and \$5 million in FY02 for the Court's operations and expect to make a similar contribution in FY03. The United States is fully prepared to support the Court in successfully completing its mandate, and to provide diplomatic support as needed.

Question. I notice that the U.S. anticipates spending less on the peacekeeping mission in the Democratic Republic of the Congo in FY04. I certainly hope that a just and lasting peace can be found in the DRC, and I am very concerned about the extremely expensive nature of the MONUC mission. At the same time, I fear that the millions of taxpayer dollars already spent on MONUC will be money wasted if the U.S. rushes to paper over the gaping holes in the incomplete peace and allows Congo to sink back into chaos. I would also point out that credible reports continue to indicate that the scale and scope of grave human rights abuses rises to a level that demands an international response.

What steps will the Administration take in the year ahead to ensure that we do not simply see more of the same appalling developments in the DRC?

Answer. We share your concern and continue to stress to all parties to the conflict in the Democratic Republic of the Congo (DRC) how important it is to cease hostilities and implement a transitional government so that a just and lasting peace can be established in the DRC.

We support full implementation of the 1999 Lusaka Cease-Fire Agreement and subsequent agreements in the peace process. We have been actively supporting implementation of these agreements as a means to securing a peaceful resolution to the conflict in the DRC. To this end, we have provided \$800,000 to the South African/United Nations (UN) Third Party Verification Mission (TPVM) to oversee implementation of the July 30 Pretoria Agreement governing the withdrawal of Rwandan troops from the DRC and the disarmament, demobilization, and repatriation (DDR) of armed Hutu rebels. We have actively supported implementation of the December 17 agreement among Congolese parties to a transitional framework. We have encouraged DRC President Kabila to take steps to begin implementing this agreement. We are in the process of consulting with the UN and interested countries on ways to organize the international committee called for in the December 17 agreement.

The United States has actively encouraged the other United Nations Security Council members, plus Belgium and South Africa (P5 + 2) to promote the Congolese peace process. Our collective efforts and those of the United Nations Organization Mission in the Congo (MONUC) succeeded in getting the Congolese parties fighting in northeastern Congo in late 2002 to sign a December 30 cease-fire agreement. We are strongly encouraging Uganda and the DRC, signatories to the September 6 Luanda Agreement, to form the Ituri Pacification Committee called for in that agreement as a means to providing political and military stability in the Ituri region in order to prevent a further deterioration in the humanitarian situation there. We have also repeatedly condemned the violations of international human rights and humanitarian norms, both through the UN Security Council and through bilateral channels. We continue to impress upon other countries, particularly Rwanda and Uganda, the need to cease any and all military involvement in the DRC and any support for armed Congolese groups in the DRC.

At the same time, we continue to provide humanitarian assistance to the DRC, to assist persons displaced and disadvantaged by the on-going conflict. Overall FY 2002 humanitarian assistance to the DRC is nearly \$42 million, in addition to nearly \$26 million in development assistance. This includes funds for child survival, maternal health, HIV/AIDS, infectious diseases, and emergency food assistance.

Question. Why is the Administration hesitant to provide greater support to the Global Fund for AIDS, TB, and Malaria? Why would the U.S. decline to take an opportunity to leverage taxpayer dollars at the fund and take advantage of multilateral infrastructure rather than spending money on the bureaucratic demands of an almost entirely bilateral program? Are there specific criteria that the Fund could meet to address the Administration's concerns?

Answer. U.S. political and financial support for the Global Fund is unrivaled. The U.S. has never been hesitant in its support for the Global Fund. The President made the first pledge by any government to the Fund, before it was formally established, and Congress funded that commitment when no structure yet existed. The President's recent promise of an additional one billion dollars is a continuation of

that support, and means that the U.S. represents almost fifty percent of all pledges. The U.S. is the only government or donor to have announced a third pledge; indeed, only one other government has even made a second pledge. Secretary Thompson's position as Chair of the Fund's Board underscores our strong commitment and dedication to the Fund. We urge other potential donors to join us to make the Fund a success.

The President, in his recent initiative, has in fact taken an historic opportunity to try to leverage taxpayer's dollars by giving generously to the Global Fund. As the Global Fund remains a very new mechanism, our generosity must be tempered by some prudence.

We are optimistic about the Fund's prospects and committed to its success. At the same time, we believe that it must establish a track record. We also believe that our own bilateral programmatic and funding efforts, including the President's Emergency Plan, have a tremendous potential to complement these multilateral efforts.

Because the Fund is a financing mechanism and not an implementing agency, it must rely on others with programmatic and technical skills to support the grants made. Our bilateral programs have provided technical assistance to Country Coordination Mechanisms in preparing proposals and will support implementation efforts. In many cases, it is successful bilateral programs that have provided the information and start-ups that have led to successful proposals to the Global Fund.

The Global Fund and bilateral programs should be complementary. The President's Emergency Plan for AIDS Relief and our continuing bilateral programs contribute to the global efforts against AIDS by:

- Assuring potential investors and recipients with a minimum, stable five-year commitment to the Global Fund.
- Helping countries prepare Global Fund proposals and to implement projects through our bilateral programs.
- Increasing the total resources available and thus making it possible for the Global Fund to work with more countries more effectively.

Our criteria for judging the Global Fund remain as they have been from the time of our first commitment. The Fund has started well but has only just disbursed the first money to approved proposals. The Secretariat has taken seriously the need for financial and programmatic accountability but it will take time to verify that the innovative structures will work as planned and to ensure that approved proposals will make a measurable difference. By contrast, U.S. bilateral programs have a record of success already.

The Fund must remain true to the basic principles outlined by President Bush. While the U.S. has ensured those principles are part of the Fund's basic architecture, we face constant pressures from others, including recipient nations, to return to the old ways of doing business, including giving funds to governments directly, with little or no involvement of other stakeholders, and with little or no accountability.

The President's principles remain:

- The need for partnerships across borders and between the public and private sectors. While representatives of the private sector, including business, NGOs, and foundations, sit on the Fund's Board, recipient countries have been slow to include these important stakeholders in their proposals and planning.
- An integrated approach that emphasizes a blend of care, treatment and prevention.
- Concentrating efforts on programs that work to actually benefit patients, based on proven best practices.
- Review of proposals by medical and public health experts to ensure effectiveness and technical soundness.
- Respect for intellectual property rights, as an incentive for vital research and development.
- Put into place a strong and independent programmatic monitoring and evaluation structure.
- Demonstrate the ability to actually leverage U.S. contributions by garnering more support contributions from investors in the Fund.

RESPONSE OF HON. COLIN POWELL, SECRETARY OF STATE, TO AN ADDITIONAL QUESTION FOR THE RECORD SUBMITTED BY SENATOR BARBARA BOXER

Question. Can you assure the Committee that the Administration will not impose any restriction similar to those imposed on international family planning programs

pursuant to the President's Memorandum of March 28, 2001 ("Restoration of Mexico City Policy") on any program funding HIV/AIDS prevention and treatment?

Answer. To be effective, the President's Emergency Plan for AIDS relief will have to involve coordination among many parties. As we work with Congress to develop this plan and as we implement it, we will ensure that any organization that wishes to participate in the core of the Emergency Plan for AIDS relief—the prevention, care, and treatment of HIV/AIDS—will be eligible to receive U.S. funds targeted for that purpose, provided that the assistance is not used to promote or perform abortions.

RESPONSES OF HON. COLIN POWELL, SECRETARY OF STATE, TO ADDITIONAL
QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR BILL NELSON

HAITI

Question 1. I was recently in Haiti, and witnessed the abject poverty and inhuman conditions in which Haitians are living. In your view, what is President Aristide's level of compliance with OAS Resolution 822? What about the opposition?

Answer. We share your concern about the plight of the Haitian people. A return to stability through settlement of the political crisis will help to improve the Haitian economy, and thus the lives of ordinary Haitians.

We are deeply dissatisfied with the Government of Haiti's level of compliance with Resolution 822, which was adopted by unanimous consensus, including Haiti, in the OAS Permanent Council and which President Aristide has publicly committed to implement.

While there has been progress on payment of reparations to political parties for damage suffered in the violence of December 17, 2001, and the OAS Special Mission has been able to negotiate satisfactory terms for its activities with the government, on almost all other accounts there has been little or no substantive progress. This is particularly disappointing and worrisome in regard to the deteriorating security environment. A climate of security conducive to elections does not now exist. Armed gangs, many associated with the ruling party, continue to perpetrate acts of violence and intimidation against journalists, human rights activists, some businesses, and students. Some investigations are proceeding, but the murders of journalists Jean Dominique in April 2000 and Erignol Lindor in December 2001 are unsolved. Disarmament, a key element in creating a climate of security, has consisted mainly of ineffective public gestures.

If elections are to be held in 2003 as called for in Resolution 822, it is vital that the Government of Haiti take immediate steps to meet its commitments under the Resolution. By meeting its commitments, the government can give the opposition the confidence to participate fully and meaningfully in the electoral process. The opposition and civil society must play more responsible roles. They must be prepared to participate in an electoral council once the government creates a more secure environment:

Question 2. Has the Aristide government provided compensation to the victims of violence following the coup attempt of December 17, 2001? What is the status of the appointments to the Provisional Electoral Council (CEP) and subsequent elections later this year?

Answer. The Haitian government and the victims signed an agreement in July 2002 establishing procedures for the assessment and payment of claims. Prompted by OAS Resolutions 806 and 822, which called for timely payment of reparations, the government has paid reparations to some of the victims.

It is, however, disappointing that the issue of reparations has not been finally resolved. Negotiations with one opposition party are still going on. Moreover, the government does not appear to be making any effort to address reparations claims of individuals named by the OAS Advisory Council on Reparations.

Resolution 822 called for a new Provisional Electoral Council (CEP) to be formed by November 4, 2002, using procedures previously agreed to by the opposition and government, designed to create the kind of independent CEP that could oversee elections in a fair and impartial way.

The CEP has not been formed. The government's lack of progress in improving security caused opposition parties and civil society to refrain from participation in the CEP. From November 2002 through January 2003, a series of anti-government protest strikes and attacks by government-supported gangs on opposition demonstrations have driven the two sides further apart.

The ruling party and opposition agreed that the CEP would consist of nine members nominated by them, the churches, and civil society organizations. President Aristide on February 7 issued a presidential decree naming seven of the nine members, saying at the time he was leaving the other two positions open for opposition political parties to fill as originally agreed to. The seven names that Aristide put forward were already known to the public, having been previously nominated by the churches and civil society organizations. Opposition parties did not name any nominees in response to Aristide's decree, so there still is no CEP.

It is disappointing that no CEP has been formed, but as noted in Resolution 822 the integrity of the CEP formation is essential. It would be a mistake for Aristide to act on his own in forming the CEP. No single party or organization should be able to block formation of the CEP, but it is essential to maintain the formula agreed to by all parties in order to have free and fair elections. The U.S. cannot support elections in Haiti unless they are free, fair, and reflect the will of the Haitian people. The joint high-level delegation of the OAS and CARICOM traveling to Haiti March 18-21 hopes to convince the government to meet its obligations under Resolution 822 and the opposition and civil society to participate in formation of a neutral, credible, and independent CEP.

Question 3. Can you explain what steps the Administration is taking to bring the opposition parties to the table? I understand the OAS is involved, but what is the U.S. doing to encourage a resolution to bring relief to the Haitian people? Is the OAS mission adequately funded and supported by the U.S.?

Answer. Before returning to a dialogue with the Haitian government, the opposition and civil society are deeply concerned about restoring a secure environment. Key to understanding this concern is the violent nature of Haiti's political history.

We are urging the Government of Haiti to create the minimum levels of confidence required by the opposition and civil society by meeting the security commitments it made in Resolution 822, and by supporting the efforts of the OAS Special Mission to help the government do so. At the same time, we have repeatedly reminded the opposition of its responsibility to react positively and constructively when the government begins to meet its commitments.

Special Presidential Envoy for Western Hemisphere Initiatives Otto Reich will represent the U.S. in a joint OAS-CARICOM delegation visiting Haiti March 18-21. The delegation will present a strong message to all actors in Haiti—government, opposition, civil society—that now is the time for effective action in meeting security concerns and forming a credible CEP.

Although the Special Mission has received pledges of approximately \$5.5 million, it has serious cash flow problems. Actual contributions to date total slightly more than \$3.2 million, consisting mainly of \$1.6 million from the U.S. and \$510,000 from Canada. Canada announced an additional contribution of approximately \$1.3 million in January, which has yet to be received. The EU has contributed \$640,000 with another \$159,000 to follow. The Mission has requested an additional \$11-13 million from the international community to fund its current mandates. Beyond that, the cost for elections security and observation could be as high as \$35 million.

Question 4. As U.S. and international assistance still cannot be directed to Haiti, the Haitian people are suffering. What is the U.S. doing to see that OAS Resolution 822 is complied with and that normalization of relations will take place between Haiti and international financial institutions and multilateral banks?

Answer. In Resolution 822, the OAS supported normalization of economic cooperation between the Government of Haiti and the international financial institutions and urged those parties to resolve the technical and financial obstacles that preclude such normalization.

The Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF) have each held discussions with the Government of Haiti since last September. However, before loan disbursements can begin from the IDB, Haiti needs to pay its IDB arrears, slightly over \$20 million as of year-end 2002. The same holds for the World Bank. For IMF programs, Haiti must negotiate and implement an agreement with the IMF on basic economic reforms. An appropriate IMF agreement could also facilitate additional loans from the IDB and World Bank.

To date the Government of Haiti has neither paid its arrears to the IDB or World Bank, nor reached an agreement with the IMF. All three institutions continue their talks with the government. We have repeatedly encouraged the Government of Haiti to take the steps needed so that lending from these institutions can resume. We have also encouraged the institutions to work actively toward this goal.

The U.S. continues to provide assistance to Haiti through non-governmental organizations addressing the urgent humanitarian needs in Haiti and promoting prosperity and democratic institutions. The U.S. has been and remains Haiti's largest donor. In the past two years, we have disbursed over \$120 million in humanitarian assistance to Haiti.

Question 5. In the President's budget for FY 2004, what kind of assistance do you expect to provide to Haiti through USAID and nongovernmental organizations?

Answer. USAID's objective in Haiti is to alleviate poverty while building foundations for a prosperous, democratic society. Assistance is channeled through U.S. contractors and grantees to local and other U.S. non-governmental organizations. Principal USAID programs budgeted for FY 2004 include:

- Health (\$21.8 million): USAID uses a network of over 30 local organizations to provide services to some 2.5 million Haitians, close to a third of the population. Child immunization rates in USAID-assisted areas are nearly double the national average, as high as 85 percent in some parts of the country. Child malnutrition rates in USAID assisted areas fell from 32 percent to 22 percent in 1995-2000. The percentage of women nationwide seeking prenatal consultation has increased from 68 percent to 79 percent.

The national contraceptive use rate has gone from 9 percent to over 15 percent, with even stronger gains—to 22 percent—among rural, illiterate women. This is part of our expanded AIDS prevention program. Haiti is also a beneficiary of the Global Fund against AIDS, Tuberculosis, and Malaria.

- Food Security (\$23.8 million): P.L. 480 Title II (food assistance) improves the nutritional well-being and food security of Haiti's poorest populations, especially children under five and nursing mothers. An early warning system developed to anticipate and prepare for food emergencies in the Northwest region is now being replicated in other parts of the country.
- Democracy (\$2.9 million): Democracy programs focus on increasing the professionalism of political parties, strengthening independent media and civil society organizations and promoting judicial reform and human rights. Training and other support is also provided for independent election observation groups.
- Education (\$2.5 million): Programs increase pass rates for third and fourth grade students through improved in-service training for 4,000 teachers and school directors, radio education in math and Creole, and the provision of books, teaching aids, and curriculum guides.
- Economic Growth (\$1.75 million): Programs are aimed at sustainable increases in income for the poor. They expand availability of small business loans to urban micro-entrepreneurs; provide assistance to small farmers in marketing valuable export crops such as coffee, cacao, and mangos; and help Haitian artisans find niche export markets. Beneficiaries include small entrepreneurs (80% of whom are female), approximately 250,000 hillside farmers, and 2,000 artisans.

Through these programs, we aim to alleviate poverty, illiteracy, and malnutrition and to promote respect for human rights and the rule of law. Effectiveness of U.S. assistance has been shown in the improvement of social indicators in the areas of intervention, despite a deteriorating economy overall.

USAID BILATERAL ASSISTANCE TO HAITI (INCLUDES P.L. 480 FOOD)

BUDGET	FY 2001 Disbursed	FY 2002 Disbursed	FY 2003 Estimated	FY 2004 Budgeted
TOTAL IN MILLIONS	\$72	\$54	\$47	\$53

The above figures do not include programs funded by the U.S. Departments of State and Defense for training/equipping units of the Haitian National Police with counter-narcotics responsibilities, Peace Corps, or U.S. contributions to Haiti through international organizations, such as the OAS, UNDP, and the International Organization for Migration (IOM).

